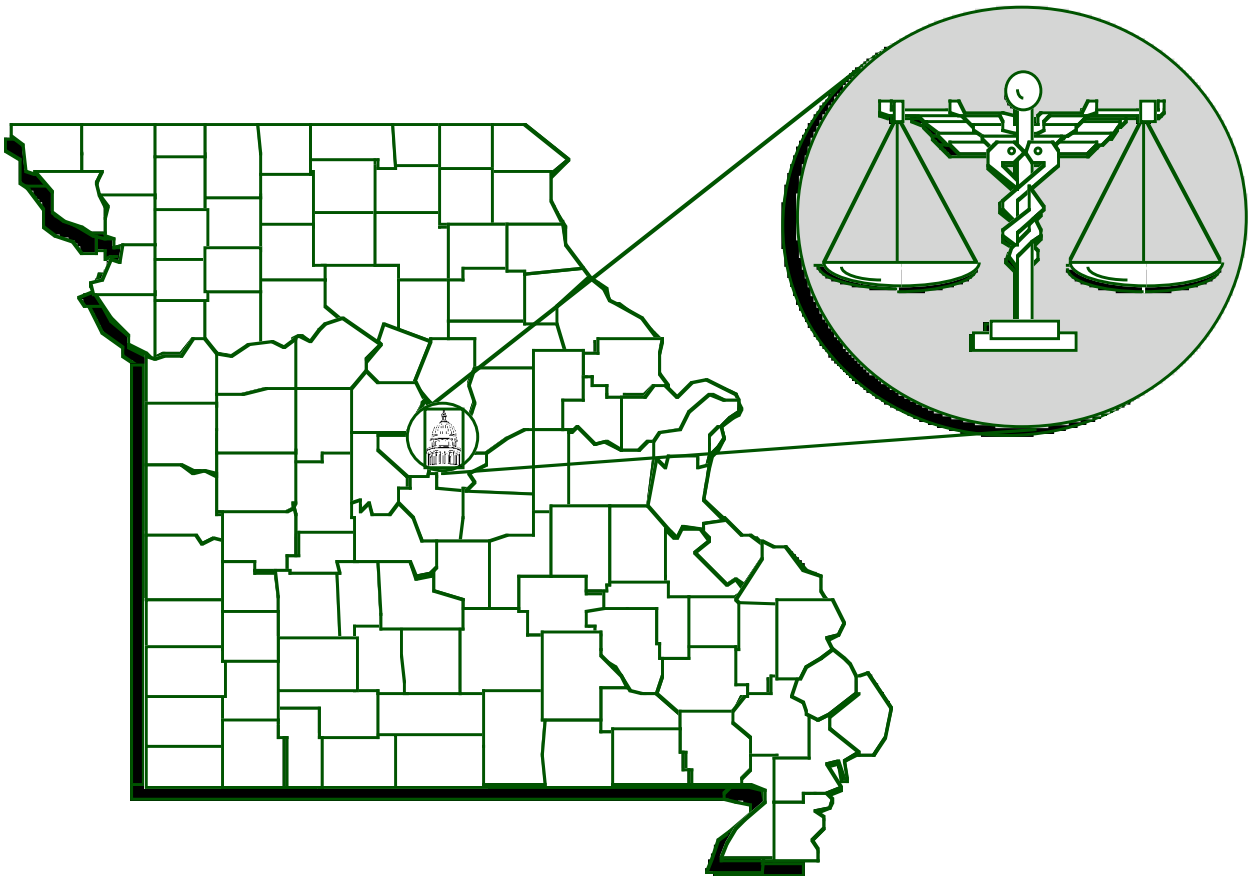


# Missouri Health Facilities Review Committee

## Certificate of Need Meeting Compendium



**January 3, 2011**

**State Capitol Building  
House Hearing Room 6  
Jefferson City, MO**



# MHFRC

## Missouri Health Facilities Review Committee

Post Office Box 570, Jefferson City, MO 65102  
Voice: (573) 751-6403 Fax: (573) 751-7894 Website: <[www.dhss.mo.gov/con](http://www.dhss.mo.gov/con)>

James Tellatin, Chair

Edna M. Talbot, PhD, Vice-Chair  
T. Martin Vollmar, MD

Rory Ellinger  
William A. Krodinger

Rep. Kenny Jones  
Rep. Jake Zimmerman

Senator Robin Wright-Jones  
Senator Eric Schmitt

### Memorandum To Missouri Health Facilities Review Committee

From: Donna Schuessler, Health Planning Specialist  
Certificate of Need Program

Date: December 15, 2010

### Subject: January 3, 2011, Certificate of Need Meeting

This Compendium, in PDF format, is being emailed in preparation for our upcoming Certificate of Need meeting on January 3, 2011. It contains the majority of information needed for this face-to-face meeting in Jefferson City.

The applications under New Business, plus the information received for the requests under Previous Business, are available for viewing on our website at [www.dhss.mo.gov/CON/Calendars.html](http://www.dhss.mo.gov/CON/Calendars.html). If these cannot be viewed on your computer, please let us know as soon as possible.

At your earliest opportunity, **please RSVP to our office** by phone or email to let us know whether or not you are planning to attend the meeting. If you need a hotel reservation for Sunday night, let us know about that too.

Feel free to contact us if you have questions regarding the agenda items or any other concerns. We look forward to seeing you at this next meeting.

/ds

**Missouri Health Facilities Review Committee**  
**Certificate of Need Meeting**  
January 3, 2011, 9:00 a.m.  
House Hearing Room 6, Capitol Building, Jefferson City

**Tentative Agenda**

**A.Committee Business**

- 1.Review and Perfect Agenda
- 2.Present Mission Statement
- 3.Review Registered Representative Log
- 4.Present Meeting Protocol
- 5.Approve Minutes (November 8 CON Meeting/December 2 Administrative Meeting)

**B.New Business: Full applications**

1. **#4564 HS:** Barnes-Jewish Hospital  
St. Louis (St. Louis City)  
\$1,420,875, Replace CT scanner
2. **#4557 FS:** MRI Partners of Chesterfield  
St. Louis (St. Louis County)  
\$1,423,904, Replace MRI unit
3. **#4573 HS:** Saint Francis Medical Center  
Cape Girardeau (Cape Girardeau County)  
\$4,536,160, Acquire stereotactic radiosurgery system
4. **#4572 RS:** Shirkey Pavilion Assisted Living  
Richmond (Ray County)  
\$2,650,000, Establish 30-bed ALF

**C.Previous Business: Modifications and Extensions**

1. **#4243 HS:** Shriners Hospital for Children-St. Louis  
St. Louis (St. Louis County)  
\$145,855,398, 4th extension on CON to establish 40-bed acute care children's hospital
2. **#4218 NS:** J-S Northland  
Kansas City (Platte County)  
\$10,054,389, 4th extension on CON to establish 80-bed SNF
3. **#4219 RS:** J-S Northland  
Kansas City (Platte County)  
\$10,862,401, 4th extension on CON to establish 90-bed ALF
4. **#4191 HS:** St. Mary's Health Center  
Jefferson City (Cole County)  
\$209,500,000, 5th extension on CON to establish 167-bed acute care hospital

**D.Management Issues**

1. 2011 Meeting Calendars
- 2.Proposed Rules Update
3. Activity Schedules
4. Incomplete LTC Projects
- 5.Non-Applicability Issues
  - a. Report of Non-Applicability Letters Issued (approve Chair's signature)
  - b.Black River Community Medical Center Non-applicability Request
- 6.Other

**E.Legal Counsel Report**

- 1.Litigation Issues Report
- 2.Other Issues Discussions

# Suggested Motions

## I. Motions for Action on Applications

### A. Approve as Submitted:

I move we certify a need for project# \_\_\_\_\_ as set forth in the application.

### B. Approve for Less:

I move we certify a need for less than what was originally sought in project # \_\_\_\_\_ by granting approval for all portions except the \_\_\_\_\_ which would be reduced from \_\_\_\_\_ to \_\_\_\_\_.

### C. Denial:

I move we refuse to certify a need project # \_\_\_\_\_ for the reasons set forth as follows (list reasons):

## II. Motions to Close Meeting (Closed Session)

### A. I move that this meeting be closed, and that all records and votes, to the extent permitted by law, pertaining to and/or resulting from this closed meeting be closed under Section 610.021 (choose one of the following):

1. Subsection (1) RSMo for the purpose of discussing **general legal actions, causes of action or litigation, and any confidential or privileged communications between this agency and its attorney.**
2. Subsection (3) RSMo for the purpose of **discussing hiring, firing, disciplining or promoting an employee of this agency.**
3. Subsection (13) RSMo for the purpose of making **performance ratings pertaining to individual employees.**
4. For the purpose of **reviewing and approving the closed minutes of one or more previous meetings** and which authorized this agency to go into closed session during those meetings.
5. Subsection (14) and Section 620.010.14, Subsection (7) RSMo for the purpose of discussing **investigative reports and/or complaints and/or audits and/or other information pertaining to a licensee or applicant.**

### B. I move that this closed meeting be adjourned and that we return to Open Session.

# Missouri Health Facilities Review Committee

## **Mission:**

To achieve the highest level of health for Missourians through cost containment, reasonable access, and public accountability.

## **Goals:**

- Review proposed health care services;
- Address community need;
- Manage health costs;
- Promote economic value;
- Negotiate competing interests;
- Prevent unnecessary duplication; and
- Disseminate health-related information to interested and affected parties.

*Modified: October 20, 1997*

# Registered Reps for January 3, 2011, Mail Ballot

<u>Project Name and Description</u>	<u>Name, Title and Organization Represented</u>			<u>Phone No.</u>	<u>Position Advocated</u>
<b>4564 HS Barnes-Jewish Hospital Replace CT scanner</b>					
BRATCHER, Greg	Dir., Policy Analysis	BJC HealthCare		314-286-0629	Support
<b>4557 FS MRI Partners of Chesterfield, LLC Replace MRI</b>					
SCAVOTTO, Margaret C.	Attorney	Lashly & Baer, P.C.		314-621-2939	Support
WATTERS, Richard D.	Attorney	Lashly & Baer, P.C.		314-621-2939	Support
<b>4573 HS Saint Francis Medical Center Acquire stereotactic radiosurgery system</b>					
SCAVOTTO, Margaret C.	Attorney	Lashly & Baer, P.C.		314-621-2939	Support
WATTERS, Richard D.	Attorney	Lashly & Baer, P.C.		314-621-2939	Support
<b>4573 HS Saint Francis Medical Center Acquire stereotactic radiosurgery system</b>					
VAUGHN, Thomas D.	Attorney	Husch Blackwell, LLP		573-635-9118	Support

# Missouri Health Facilities Review Committee

## MEETING PROTOCOL

### Presenter Information

- REPRESENTATIVE REGISTRATION FORM  
All presenters must complete and sign a “**Representative Registration Form**” and give the completed form to the Sign-In Coordinator **prior to speaking**. This form is available on a table near the entrance to the meeting chamber.
- APPLICANT PRESENTATION OF “KEY POINTS” AND SUMMATION  
The applicant’s presentation should be a “key points summary” **based on the written application and should not exceed 10 minutes** inclusive of all presenters with 5 minutes additional time for summation before the staff wrap-up.
- WRITTEN APPLICATION REMINDER  
Applicants are reminded that **no new material** beyond the written applications is to be introduced, and no materials or additional papers are to be distributed at the meeting.
- AFFECTED PARTIES PRESENTATIONS  
All “affected parties” presentations are limited to 3 minutes per person, **up to a maximum per project** of 90 minutes collectively for supporting, 20 minutes for neutral, and 90 minutes for opposing presentations.
- APPLICANT SUMMATION  
The summation is intended to recap the key points made by the applicant. Rebuttals of “affected parties” presentations by applicants are generally discouraged and will not normally be entertained from the floor.

### General Information

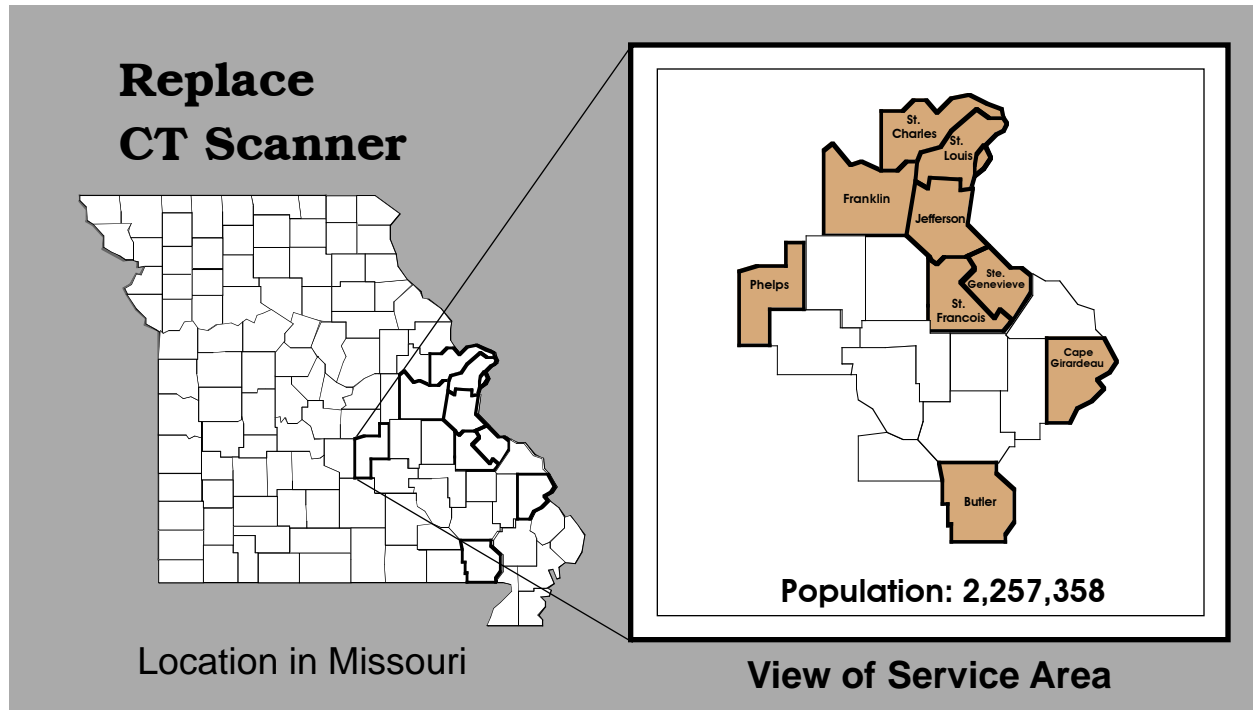
- RESERVED AREA  
**Reserved Area** is to be used by the applicant and supporters during the applicant’s presentation only and then vacated for the next group.
- PRESENTATION AREA  
Individuals waiting to present shall remain clear of the presentation area until specifically called by name or upon “open call” by the chairman.
- TIME MONITOR  
Prescribed time limits will be monitored by the Time Keeper. Presenters shall observe the Time Keeper’s indications of lapsed time to ensure each presenter has an opportunity to present within the allotted time.



November 8th and  
December 2nd  
minutes will be sent  
to you after they're  
completed.

# **New Business**

## #4564 HS: Barnes-Jewish Hospital



**Applicant:** Barnes-Jewish Hospital (owner/operator)

**Contact Person:** Greg Bratcher, 314-286-0629  
(gbratcher@bjc.com)

**Location:** One Barnes-Jewish Hospital Plaza  
St. Louis 63110 (St. Louis County)

**Cost:**\$1,420,875

**Appl. Rec'd:**October 12, 2010

**100 Days Ends:**January 20, 2011 (30-Day Extension: February 19, 2011)

**Summary:** *Based on the following Certificate of Need Rules:*

- Application Summary ...19 CSR 60-50.430(3) Documented
- Detailed Description .....19 CSR 60-50.430(4) Documented
- Community Need.....19 CSR 60-50.440(1) ..... Documented
- Financial Feasibility19.CSR 60-50.470(1-4) Documented

## #4564 HS: Barnes-Jewish Hospital

### APPLICATION SUMMARY:

*The application summary was **complete**.*

### PROPOSAL DESCRIPTION:

*The detailed project description was complete, and community awareness and support were **documented**.*

The applicant proposes to replace an existing Siemens Volume Zoom Computerized Tomography (CT) scanner with a **Siemens Somatom Definition Flash CT scanner**, a dual-source CT scanner. The dual-source technology provides for faster scanning and better imaging of the heart, brain, and trauma patients with multiple injuries.

Even though this is a replacement unit, this application is subject to a full review because the CT scanner being replaced did not originally receive a CON.

No opposition has been expressed on this project.

### COMMUNITY NEED CRITERIA AND STANDARDS:

*A need according to the Criteria and Standards for "Equipment and New Hospitals" was **documented**.*

The applicant stated that the existing CT scanner is eight years old and has exceeded its "useful life". The American Hospital Association guidelines for useful life of a CT scanner is five years.

Quality of care would be improved as a result of less exposure to ionizing radiation, enhanced imaging and better clinical information delivered more quickly. The existing CT scanner is not experiencing significant downtime; however, it is limited in its capabilities. The applicant believes that it is financially prudent to replace the existing scanner now before repairs cause delays.

### FINANCIAL FEASIBILITY CRITERIA AND STANDARDS:

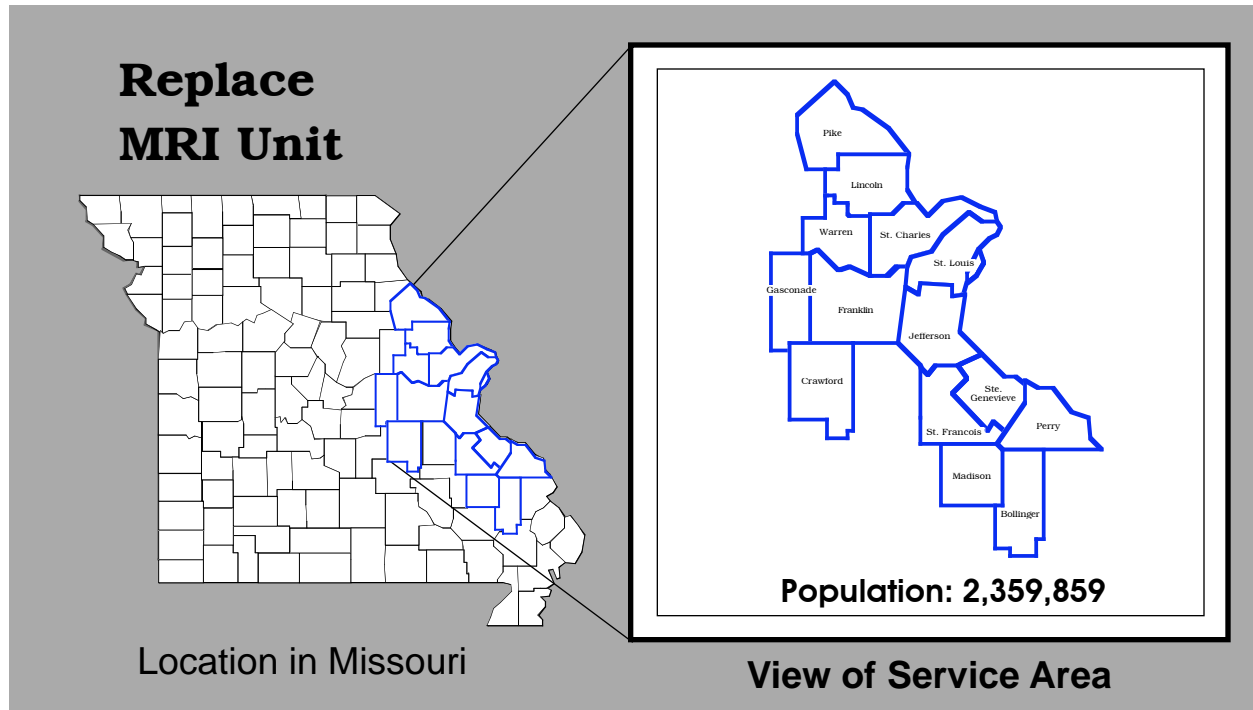
*Financial feasibility of the project is **documented**.*

The applicant documented that sufficient unrestricted funds are available to purchase the equipment.

### ADDITIONAL INFORMATION:

*A small amount of additional information was requested. A copy of that information was included with the application.*

## #4557 FS: MRI Partners of Chesterfield



**Applicant:** MRI Partners of Chesterfield, LLC (owner/operator)

**Contact Person:** Richard D. Watters, 314-621-2939  
(rdwatters@lashlybaer.com)

**Location:** 14825 North Outer Forty, Suite 110  
Chesterfield 63017 (St. Louis County)

**Cost:**\$1,423,904

**Appl. Rec'd:**October 29, 2010

**100 Days Ends:**February 6, 2011 (30-Day Extension: March 8, 2011)

**Summary:** *Based on the following Certificate of Need Rules:*

- Application Summary ...19 CSR 60-50.430(3)Documented
- Detailed Description .....19 CSR 60-50.430(4)Documented
- Community Need.....19 CSR 60-50.440(1) .....Documented
- Financial Feasibility19.CSR 60-50.470(1-4) Documented

# #4557 FS: MRI Partners of Chesterfield

## APPLICATION SUMMARY:

*The application summary was **complete**.*

## PROPOSAL DESCRIPTION:

*The detailed project description was complete, and community awareness and support were **documented**.*

The applicant proposes to replace an existing 1.5 Tesla (T) magnetic resonance imager (MRI) with a **Siemens 3.0 T Siemens Magnetom Verio MRI**. When the applicant acquired the existing MRI, the shielding was originally constructed to accommodate a higher tesla unit, so no additional shielding is required.

Even though this is a replacement unit, this application is subject to a full review because the MRI being replaced did not originally receive a CON.

No opposition has been expressed on this project.

## COMMUNITY NEED CRITERIA AND STANDARDS:

*A need according to the Criteria and Standards for "Equipment and New Hospitals" was **documented**.*

The applicant stated that the existing MRI scanner is only two years old. However, it has been down at least 30% of the time, and the manufacturer has been unable to fix the problem. The applicant stated that they have had to direct at least 120 patients to other facilities for MRI scans. As a result, the applicant has decided to replace that unit with a higher tesla unit.

Quality of care would be improved as a result of a wider bore making claustrophobic and obese patients more comfortable during procedures. It also has enhanced diagnostic accuracy, greater detail and anatomical detail, allows for a reduction in contrast requirements, and has improved noise reduction technology.

The applicant stated that they do not intend to increase charges as a result of this proposed acquisition. According to their financial information, their average charge will remain the same for at least the next three years.

## FINANCIAL FEASIBILITY CRITERIA AND STANDARDS:

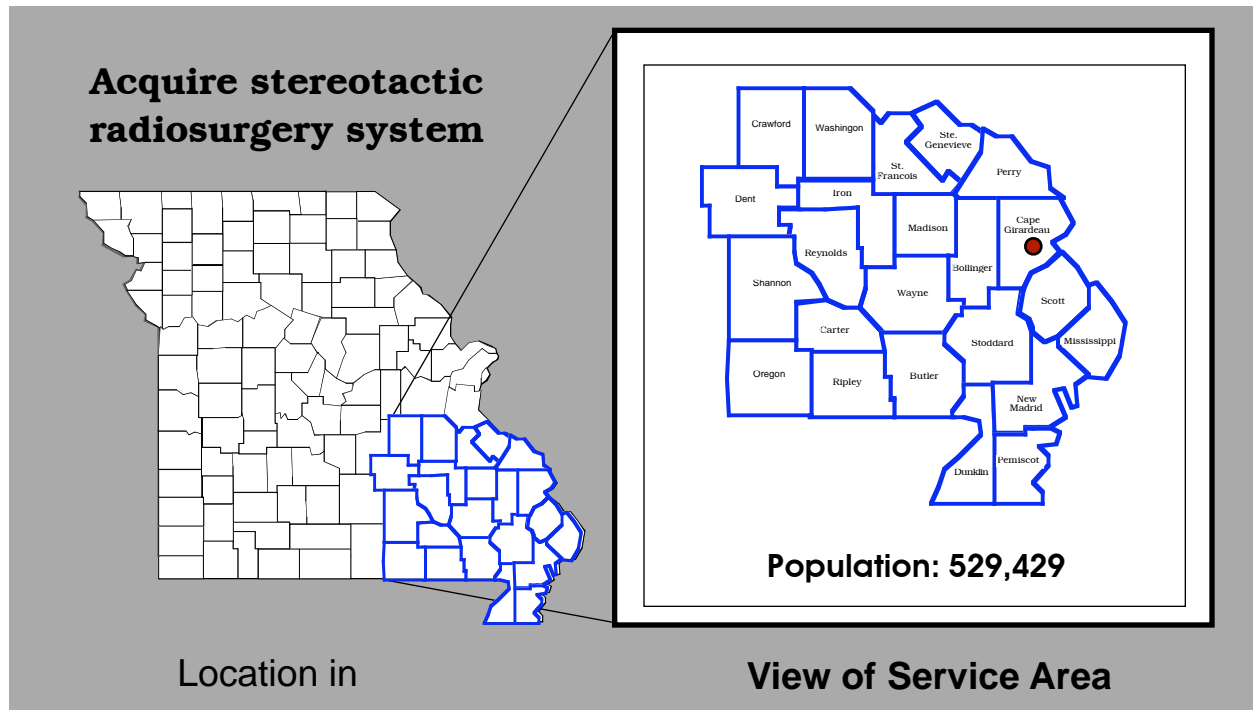
*Financial feasibility of the project is **documented**.*

A portion of the project (\$284,781) would be funded through unrestricted funds which the applicant has documented are available. The remaining \$1,139,123 would be financed through a loan from The Private Client Reserve in St. Louis. A letter was provided stating that they were prepared to provide the needed financing;

## ADDITIONAL INFORMATION:

*A small amount of additional information was requested. A copy of that information was included with the application.*

## #4573 HS: Saint Francis Medical Center



**Applicants:** Saint Francis Cyberknife, LLC (owner)  
Saint Francis Medical Center (operator)

**Contact Person:** Richard D. Watters, 314-621-2939  
(rdwatters@lashlybaer.com)

**Location:** 211 Saint Francis Drive  
Cape Girardeau 63703 (Cape Girardeau County)

**Cost:**\$4,536,160

**Appl. Rec'd:**October 29, 2010

**100 Days Ends:**February 6, 2011 (30-Day Extension: March 8, 2011)

**Summary:** *Based on the following Certificate of Need Rules:*

- Application Summary ...19 CSR 60-50.430(3)Documented
- Detailed Description 19.CSR 60-50.430(4) Documented
- Community Need .....19 CSR 60-50.440(2)Documented
- Financial Feasibility ....19 CSR 60-50.470(1-4) .....Documented

## #4573 HS: Saint Francis Medical Center

### APPLICATION SUMMARY:

*The application summary was **complete**.*

### PROPOSAL DESCRIPTION:

*The detailed project description and community awareness and support were **documented**.*

The applicants propose to acquire an Accuray CyberKnife stereotactic radiosurgery system. This system would be the final component in the development of the Cancer Institute at Saint Francis Medical Center.

Stereotactic radiosurgery is a non-surgical form of radiation therapy which delivers a highly-targeted dose of radiation to a small focused area, thereby sparing more of the surrounding healthy tissue. The applicants stated that other advantages of the system include submillimeter accuracy, automatic beam adjustment, multi-planar beam delivery, whole body use, and shortened treatment times.

The applicants proposed a regional service area which is larger than the standard service area for the hospital. They explained that patients are willing to travel farther for stereotactic radiosurgery treatments than for standard medical procedures. Only between one and five treatments are done compared to 30 to 45 for conventional linear accelerators treatments.

The application included 35 letters of support. No opposition has been expressed on this project.

### COMMUNITY NEED CRITERIA AND STANDARDS:

*A need according to the Criteria and Standards for “Equipment and New Hospitals” was **documented**.*

For new units or services in the geographic service area, the population-based need formula applies. However, there is no standard for stereotactic radiosurgery equipment.

For new units, a minimum utilization standard normally applies. However, there currently is no minimum utilization standard for stereotactic radiosurgery equipment.

There are three other stereotactic radiosurgery services in the state, one located at St. John's Health System in Springfield, the second located at St. Louis University Hospital in St. Louis, and third located at a St. Louis University facility in St. Peters. These facilities also used a regional service area for their proposals. The applicants state that, even though the service areas do overlap, it is minimal, and they do not expect any impact on any of the existing services.

The applicants based determination of need on three factors: 1) disease incidence rates in the service area; 2) projected treatment volume; and 3) capacity of the stereotactic radiosurgery system, plus the impact on other providers in the service area. The projected utilization for the first three years of operation, 2012, 2013, and 2014, would be 101, 147, and 179 procedures, respectively. These projections appear to be reasonable when compared to the existing services in the state.



## #4573 HS: Saint Francis Medical Center

### FINANCIAL FEASIBILITY CRITERIA AND STANDARDS:

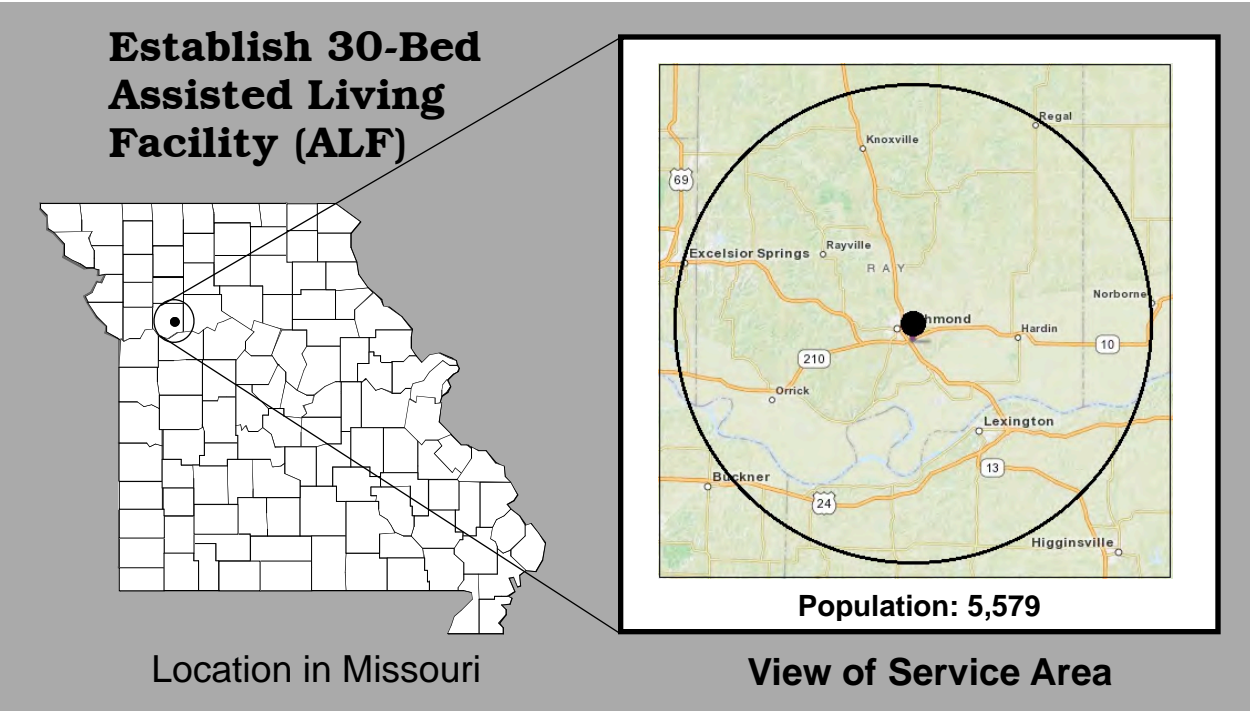
*Financial feasibility of the project was **documented**.*

The proposed project would be funded through unrestricted funds. The applicants documented that sufficient funds are available for this project.

### ADDITIONAL INFORMATION:

*A minimal amount of additional information was requested. A copy of that information is included with the application posted on the CON website for your reference.*

**#4572 RS: Shirkey Pavilion Assisted Living**



**Applicant:** Senior Citizens Nursing Home District  
of Ray County (owner/operator)

**Contact Person:** Thomas D. Vaughn, 573-635-9118  
( tom.vaughn@huschblackwell.com)

**Location:** 701 Wollard Boulevard  
Richmond 64085 (Ray County)

**Cost:**\$2,650,000

**Appl. Rec'd:**October 29, 2010  
**100 Days Ends:**February 6, 2011 (30-Day Extension: March 3, 2011)

**Summary:** Based on the following Certificate of Need Rules:

- Application Summary.....19 CSR 60-50.430(3)Documented
- Detailed Description.....19 CSR 60-50.430(4)Documented
- Community Need.....19 CSR 60-50.440(2)Documented
- Financial Feasibility19.CSR 60-50.470(1-4) Documented

## #4572 RS: Shirkey Pavilion Assisted Living

### APPLICATION SUMMARY:

*The application summary was **complete.***

### PROPOSAL DESCRIPTION:

*The detailed project description and community awareness and support were **documented.***

The applicant proposes to **establish a 30-bed assisted living facility (ALF)**. This would be accomplished through renovating a building previously used as a medical office building, and constructing an addition to the building. There would be 2,823 square feet of renovation and 11,806 square feet of new construction.

This proposal is Phase I of a two-part project. Following completion of this project, they intend to submit a request for Phase II for an additional 30 ALF beds.

The application included four letters of support. No opposition has been expressed.

### COMMUNITY NEED CRITERIA AND STANDARDS:

*A need according to the Criteria and Standards for “Long-Term Care” was **documented.***

For additional long-term care beds, the population-based need formula [Unmet Need = (S x P) – U] applies as follows:

where: S= Service-specific need rate of 16 beds per 1,000 population aged 65+  
P= Year 2015 population age 65+ in the 15-mile radius  
U= Number of existing licensed (78) and approved (0) RCF/ALF beds in the 15-mile radius (2 licensed beds were reported as unavailable)

Unmet need = (0.016 x 5,579) – 78 = **11 beds (need)**

For the Committee’s information, if the service-specific need rate of 25 beds per 1,000 population aged 65+ proposed in the Rules were applied, it would result in a need for 61 beds in the 15-mile radius.

All of the existing beds within the 15-mile radius are licensed as residential care facility (RCF). There are no AFL beds within the 15-mile radius or in the county.

The Committee’s practice has been to consider the occupancy of all other long-term care beds of the same licensure category in the proposed service area. According to the survey data for the 1st quarter of 2009 through the 2nd quarter of 2010 (copy attached), the average available bed occupancy for all of the facilities within the 15-mile radius was **75.6%, 84.5%, 76.6%, 79.3%, 96.1% and 88.2%**, respectively.

Projected utilization for 2012, 2013, and 2014 is 50%, 50%, and 50%, respectively.

The applicant stated that the reason occupancy is projected at only 50% is that, as part of Phase I, they intend to construct 15 apartments which would be large enough for two residents. However, they believe that, at this time, the demand in the area would primarily be for single occupancy rooms. If a couple wishes to live together, they would be able to accommodate them. Phase II would include additional single occupancy rooms with only a small number of double occupancy rooms.

## #4572 RS: Shirkey Pavilion Assisted Living

### FINANCIAL FEASIBILITY CRITERIA AND STANDARDS:

*Financial feasibility of the project was **documented**.*

The applicant intends to finance \$1,626,417 of the total project cost with unrestricted funds. They documented that they have sufficient cash reserves on hand for this project. The also intend to finance \$750,000 of the project cost through a commercial loan. A letter was provided from State Bank of Richmond offering the applicant a loan. The remaining \$48,583 of the project cost would be funded from revenue from the applicant's skilled nursing facility. The land was purchased in June 2010 for \$225,000; since it was paid for at that time, financing is not needed.

### ADDITIONAL INFORMATION:

*A moderate amount of additional information was required. A copy of the additional information is included in the electronic copy of the application on the CON website.*

# #4572 RS: Shirkey Pavilion Assisted Living

## Six-Quarter Occupancy of Residential Care and Assisted Living Facility Licensed and Available Beds

Type	ID	County	Facility Name	(if bold, no response)	Address	City	Zip	CN	App	Licensed RCF Beds*	ALF	RCF	Total	1st Qtr '09	%	2nd Qtr '09	%	3rd Qtr '09	%	4th Qtr '09	%	1st Qtr '10	%	2nd Qtr '10	%
R	024 06942	Clay	Superior Park		410 Superior St, PO Box 126	Excelsior Springs	64024	0	0	66	0	66	66	86.3%	96.5%	83.2%	83.9%	83.2%	83.9%	83.9%	83.9%	95.9%	95.9%	86.5%	86.5%
R	054 17543	Lafayette	Bristol Manor of Lexington		2615 Main St.	Lexington	64067	0	0	12	0	12	12	16.7%	19.4%	40.1%	54.3%	40.1%	54.3%	54.3%	54.3%	97.0%	97.0%	97.3%	97.3%
<b>GRAND TOTALS FOR MISSOURI:</b>									0	0	78	0	78	75.6%	84.5%	76.6%	79.3%	76.6%	79.3%	79.3%	79.3%	96.1%	96.1%	88.2%	88.2%

Number in State: 2

R: Residential Care/Assisted Living Facility  
 AR: CON Unavailable and Unlicensed  
 UR: CON Unavailable and Unlicensed  
 RP: Beds Sold Per §197.318

printed by the Certificate of Need Program  
 in cooperation with the Division of Regulation & Licensure  
 (an empty field signifies "no information" either because the facility is closed or recently opened-see facility name for special notes and a bold facility name means they did not submit a report for the last quarter)

\*ALL licensed beds as of most recent licensure information  
 Available bed occupancy based on January-March 2009,  
 April-June 2009, July-September 2009, October-December 2009,  
 January-March 2010, and April-June 2010

last update August 27, 2010  
 last printing: December 9,  
 page 2

# **Previous Business**

## D. Previous Business

### Item #1

**#4243 HS:Shriners Hospital for Children-St. Louis**

**St. Louis (St. Louis County)**

**\$145,855,398, 4th extension on CON to establish 40-bed  
acute care children's hospital**

*Contact Person: John Gloss, 314-432-3600 x1128 (jgloss@shrinenet.org)*

On October 6, 2008, a CON was issued to establish a 40-bed acute care childrens' hospital in St. Louis which was intended to replace the existing Shriners Hospital for Children. The entire project was to have been funded through unrestricted funds; and, at that time, the applicants documented that they had over \$8.4 billion available. The economic downturn caused a reduction in their endowment fund which was to be the major source of funding for this project.

They are now requesting a fourth extension to April 5, 2011. They expected to receive final approval in early November 2010 from the Shriners National Board of Directors to fund this project. However, the Board was concerned about releasing funds before the financial stability of the Shriners organization was more stable. As a result, they do not plan to release any funds for this project until November 2011. They state that they are still committed to building a new childrens' hospital.

They will need several more extensions before they reach aboveground construction; however this appears to be a reasonable request and there are no concerns at this time.

### Item #2

**#4218 NS:J-S Northland**

**Kansas City (Platte County)**

**\$10,054,389, 4th extension on CON to establish 80-bed SNF  
and**

### Item #3

**#4219 RS:J-S Northland**

**Kansas City (Platte County)**

**\$10,862,401, 4th extension on CON to establish 90-bed ALF**

*Contact Person: Craig W. Elmore, 816-225-0888 (JJEDCOE@aol.com)*

Both of these projects were originally approved on August 11, 2008. Project #4218 NS to establish an 80-bed SNF and project #4219 RS to establish a 90-bed ALF are to be developed next to each other on the same site.

They are now requesting a fourth extension to February 11, 2011. In their previous request for an extension, they informed the Committee that they had received approval for a loan from Coppermark Bank; however, subsequent to that approval, the bank informed the applicant that they would need to find a participant before they could proceed with financing, thereby causing further delays in commencing construction. As a result, the applicant is pursuing other financing options.

These projects will require several more extensions before they achieve aboveground construction. There are concerns about the length of time it's taking to secure funding for these projects and that further delays could result in cost overruns.

## D. Previous Business

### **Item #4**

#### **#4191 HS:St. Mary's Health Center**

#### **Jefferson City (Cole County)**

#### **\$209,500,000, 5th extension on CON to establish 167-bed acute care hospital**

*Contact Person: Beverly J. Stafford, 573-761-7197 (beverly\_stafford@ssmhc.com)*

On June 2, 2008, a Certificate of Need (CON) was issued to SSM Regional Health Services to establish a 167-bed acute care hospital on Highway 179 in Jefferson City, which would replace the existing 167-bed St. Mary's Health Center. The approved cost of the project was \$209,500,000.

In mid-2009, as a result of the economic downturn, SSM Regional Health Services re-assessed the timelines for capital expenditures within the organization and temporarily suspended this project. On December 1, 2009, SSM Health Care authorized full resumption of the project.

Final design and engineering work are continuing on the new Highway 179 interchange which is scheduled for completion in early 2012. The applicant expects to begin construction of the new hospital in 2012 with a projected completion date by the end of 2014. The applicant is requesting a fifth extension to June 1, 2011, to allow additional time to incur a capital expenditure through aboveground construction.

This project is moving forward and this appears to be a reasonable request without any concerns.



# **Management Issues**

2011						
mo	S	M	T	W	T	F S
<b>January</b>						
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					
<b>February</b>						
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					
<b>March</b>						
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		
<b>April</b>						
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
<b>May</b>						
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
<b>June</b>						
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
<b>July</b>						
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
<b>August</b>						
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
<b>September</b>						
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
<b>October</b>						
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					
<b>November</b>						
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			
<b>December</b>						
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31




# Approved 2011 MHFRC Meeting Calendar

## Certificate of Need Meetings

<b>January 3</b>	Jefferson City
<b>March 14</b>	Jefferson City
<b>May 9</b>	Jefferson City
<b>July 11</b>	Jefferson City
<b>September 12</b>	Jefferson City
<b>November 7</b>	Jefferson City
<b>January 9, 2012</b>	Jefferson City

## Administrative Meetings

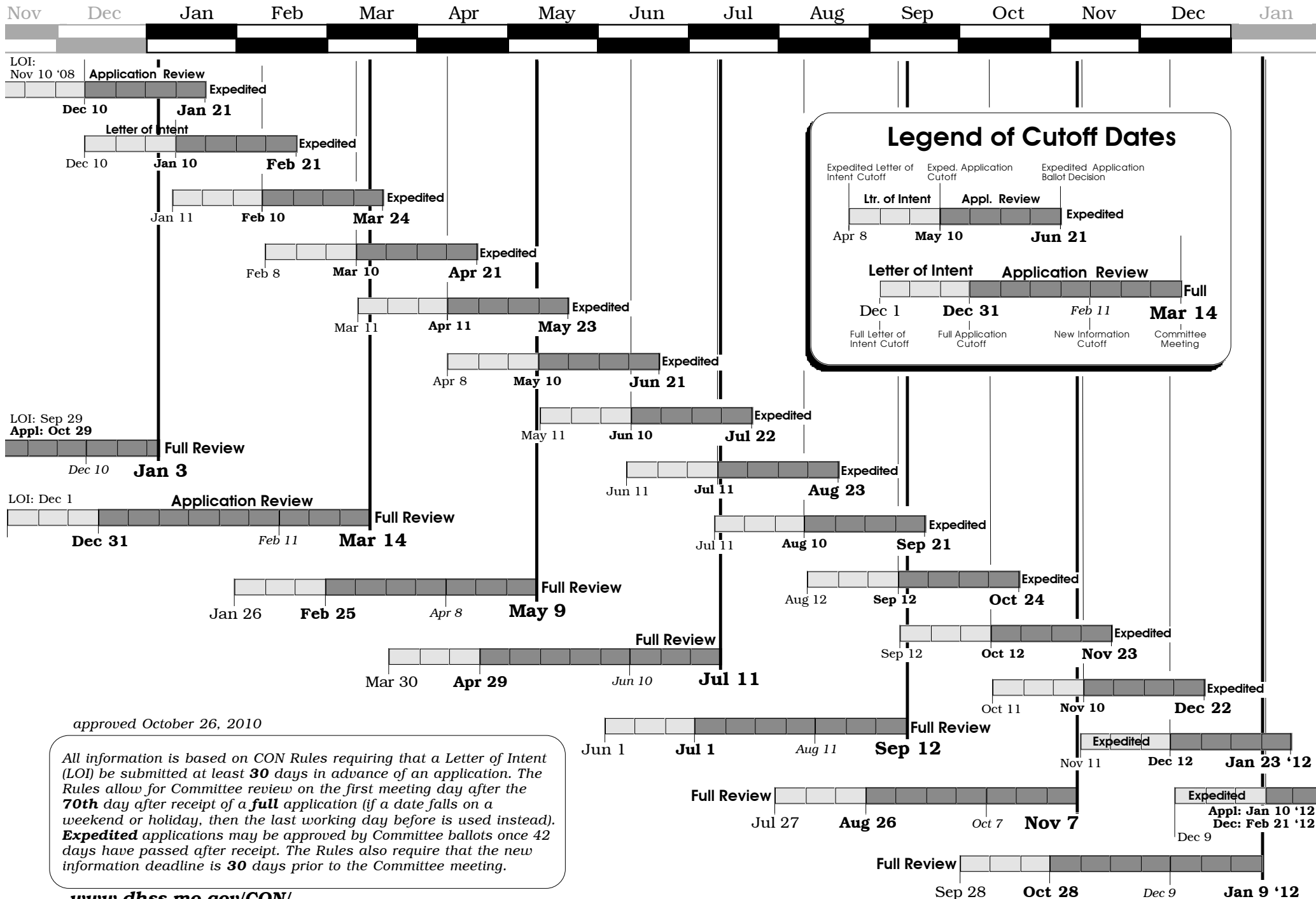
<b>February 14</b>	Conference Call
<b>April 11</b>	Conference Call
<b>June 13</b>	Conference Call
<b>August 15</b>	Conference Call
<b>October 17</b>	Conference Call
<b>December 12</b>	Conference Call

-  CON/Admin. Meetings
-  Administrative Meetings
-  CON Round Table Meetings  
(state agencies info exchange)



Approval date: October 26, 2010

# 2011 Letter of Intent and Application Review Calendar



Missouri Health Facilities Review Committee  
**Expedited Ballot Agenda**  
**December 22, 2010**

1. **#4576 NT:** Life Care Center of Bridgeton  
Bridgeton (St. Louis County)  
\$2,693,916, Renovate/modernize 120-bed SNF
2. **#4585 HT:** Barnes-Jewish Hospital  
St. Louis (St. Louis City)  
\$1,844,604, Replace interventional radiology equipment

Missouri Health Facilities Review Committee

## Expedited Ballot Agenda

### January 21, 2011

1. **#4593 RP:** Blue Hills Rest Home  
Independence (Jackson County)  
\$7,200, LTC expansion of 4 ALF beds
2. **#4566 HT:** Freeman Health System  
Joplin (Newton County)  
\$2,222,864, Replace PET unit
3. **#4601 NT:** Life Care Center of Cape Girardeau  
Cape Girardeau (Cape Girardeau County)  
\$18,861,129, Replace 120-bed SNF

Missouri Health Facilities Review Committee  
**Certificate of Need Meeting**  
March 14, 2011, 9:00 a.m.  
House Hearing Room 6, Capitol Building, Jefferson City

**Tentative Agenda**

**A.Committee Business**

- 1.Review and Perfect Agenda
- 2.Present Mission Statement
- 3.Review Registered Representative Log
- 4.Present Meeting Protocol and Applicant Seating
- 5.Approve Minutes (January 3, 2011, CON Meeting)

**B.New Business: Full applications**

*(Filing date: December 31, 2010)*

**C.Previous Business: Modifications and Extensions**

**D.Management Issues**

1. 2011 Meeting Calendars
- 2.Proposed Rules Update
3. Activity Schedules
4. Incomplete LTC Projects
- 5.Non-Applicability Issues
- Report of Non-Applicability Letters Issued (approve Chair's signature)
- 6.Other

**E.Legal Counsel Report**

- 1.Litigation Issues Report
- 2.Other Issues Discussions



## Missouri Health Facilities Review Committee

Post Office Box 570, Jefferson City, MO 65102  
Voice: (573) 751-6403 Fax: (573) 751-7894 Website: <www.dhss.mo.gov/con>

James Tellatin, Chair

Edna M. Talbot, PhD, Vice-Chair  
T. Martin Vollmar, MD

Rory Ellinger  
William A. Krodinger

Rep. Kenny Jones  
Rep. Jake Zimmerman

Senator Robin Wright-Jones  
Senator Eric Schmitt

### MEMORANDUM TO MISSOURI HEALTH FACILITIES REVIEW COMMITTEE

FROM: Donna Schuessler, Health Planning Specialist  
Certificate of Need Program

DATE: December 13, 2010

### SUBJECT: Incomplete Long-Term Care Projects Report

Attached for your information is a report which shows the status of incomplete long-term care projects. You asked that we continue to provide this information in the meeting Compendium to illustrate a concern for the financial viability of many of them.

We felt it would be helpful to explain several items on the report. In the column titled "% Comp" there are several projects shown as 99% complete. In most cases, the project is built and licensed; however, the final cost documentation has not yet been provided.

For those projects which have nothing shown in the "% Comp" column, it is for one of several reasons. For example, they may need to request an extension, but haven't done so (we'll notify them of that in our next compliance mailing); they may still be inside the initial six months from the date that the project was approved; or they may have gotten an extension and still haven't started work on the project.

There are several projects which have received more than one extension. Such delays normally are because of site change, owner and/or operator, financing issues, problems with zoning, or other factors.

The "Comments" column includes special notations about a project such as the date of an extension, the date of changes to the project which required the Certificate of Need to be reissued, or the name and address of facilities being replaced.

The table below shows the 97 projects not yet complete (the renovation/modernization projects show the beds in the facility which may or may not be affected). They are listed in chronological order with the oldest uncompleted project being approved 24 years ago.

Type	RCF		ALF		ICF		SNF		TOTAL	
	Fac	Beds	Fac	Beds	Fac	Beds	Fac	Beds	Fac	Beds
CON Issued										
Replacements	2	83	1	28			4	323	7	434
Reno/Modernize	2	86	1	22			17	2209	20	2317
New or Additional	9	208	35	1692			22	1282	66	3182
Purchases	2	12	1	38			1	45	4	95
<b>TOTAL</b>	<b>15</b>	<b>389</b>	<b>38</b>	<b>1780</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>3859</b>	<b>97</b>	<b>6028</b>

If you have any questions about any of the information on this report, please don't hesitate to contact us.

/ds

Attachment

## Compliance Tracking Report

(sorted by Approval Date)

Number	Project Name	City	County	Approval Date	Final Project Cost	% Comp.	End of Extension	Comments
1293 NS	The Lakes at Brooking Park Establish 120-Bed SNF	Chesterfield	St. Louis County	08/15/90	\$12,869,450	66%		08/15/90: Approved by Operation of Law 06/12/91: Site Change/Change of Ownership 01/31/94: Approval for cost overrun w/condition that facility NOT be
1011 NS	Garden View of Chesterfield Establish 240-Bed SNF	St. Louis	St. Louis County	06/26/86	\$11,735,000	79%		06/12/91: Transfer of ownership approved (formerly Barnes Continuing Care Corp.)
3321 RT	The Oaks Replace 36-bed RCF II (1 of 3)	Kansas City	Jackson	10/25/02	\$450,000	88%		Facility to be replaced: Scarritt Residential Care Facility (36-bed RCF II) 3240 Norledge
3421 RA	Chaffee RCF I Establish 48-bed RCF I (1 of 2)	Chaffee	Scott	02/14/03	\$357,760	93%		
3500 NP	Community Care Ctr of Lemay, Inc. LTC bed expansion of 45 SNF beds	St. Louis	St. Louis County	10/24/03	\$1,230,000	14%		01/24/05: Second six-month extension to 04/24/05
3765 NT	Frene Valley Geriatric & Rehab Center Replace 30 SNF beds (1 of 2)	Hermann	Gasconade	06/21/05	\$2,000,000	5%		Facility to be replaced: Frene Valley Geriatric and Rehabilitation Center (30-bed SNF), 1902 South Jefferson, Hermann 65041, Gasconade County 09/18/06: Request to amend application, no chg to cost, no chg to CON
3973 NT	Ashfield Active Living and Wellness Communities, Inc. Replace 53 SNF beds	Kirkwood	St. Louis County	11/20/06	\$12,000,000		11/19/09	Facility to be replaced: Chesterfield Manor 9 (53-bed SNF) 14001 Olive Rd.
4050 RS	Chateau Girardeau Add 18 ALF beds/renovate facility	Cape Girardeau	Cape Girardeau	06/04/07	\$2,629,629	50%		
4051 NS	Chateau Girardeau Add 15 SNF beds/renovate facility	Cape Girardeau	Cape Girardeau	06/04/07	\$8,869,627	3%		
4171 RS	Dolan Res Care Centers at Les Maisons Establish 40-bed ALF (1 of 2)	St. Louis	St. Louis County	06/02/08	\$5,213,995		12/01/10	07/27/09: second extension to 12/02/09 01/11/10: third extension to 06/01/10 09/13/10: fourth extension to 12/01/10
4176 RS	Harnett Christian Village Replace 28-bed ALF (1 of 2)	Ferguson	St. Louis	05/22/08	\$2,137,374	82%		07/27/09: Second extension to 11/22/09
4177 NT	Christian Care Home Rep 168-bed SNF w/150-bed SNF (1 of 2)	Ferguson	St. Louis	05/22/08	\$10,373,763	83%		07/27/09: Second extension to 11/22/09
4218 NS	J-S Northland, LLC Establish 80-bed SNF (1 of 2)	Kansas City	Platte	08/11/08	\$10,054,389		08/11/10	09/21/09: second extension to 02/11/10 05/10/10: third extension to 08/11/10
4219 RS	J-S Northland, LLC Establish 90-bed ALF (1 of 2)	Kansas City	Platte	08/11/08	\$10,862,401		08/11/10	09/21/09: second extension to 02/11/10 05/10/10: third extension to 08/11/10
4221 RS	The Bridge at Garden Plaza Establish 102-bed ALF (1 of 2)	Florissant	St. Louis County	10/06/08	\$16,430,000		04/05/11	11/16/09: second extension to 04/05/10 05/10/10: third extension to 10/05/10 09/13/10: fourth extension to 04/05/11
4231 NS	Life Care Center of Florissant Replace 90-bed SNF (1 of 2)	Florissant	St. Louis County	08/11/08	\$16,250,000	83%		
4242 RS	MacKenzie Place on the Plaza Establish 99-bed ALF	Kansas City	Jackson	02/02/09	\$25,507,593		02/01/11	05/10/10: second extension to 08/02/10 09/13/10: third extension to 02/01/11
4276 RS	Ashfield Active Lvg & Wellness Communities, Inc. Establish 30-bed ALF	Kirkwood	St. Louis County	12/08/08	\$14,600,000		12/07/10	01/11/10: second extension to 06/07/10 09/13/10: third extension to 12/07/10
4297 NS	Green Park Nursing Home Add 28 SNF beds (1 of 2)	St. Louis	St. Louis County	02/02/09	\$483,616	99%		
4304 RS	Meadow Ridge Estates Assisted Living Establish 40-bed ALF	Moberly	Randolph	02/02/09	\$3,775,590		02/01/11	03/15/10: second extension to 08/02/10 09/13/10: third extension to 02/01/11 & change of owner/operator
4307 RS	The Gardens at Barry Road Add 148 ALF beds (1 of 2)	Kansas City	Platte	02/02/09	\$27,000,000		02/01/11	The PPR was filed on 06/26/09 which almost two months early; therefore, the due date did not go forward. The filing date was manually changed to 07/26/09 so the due date was move to 02/02/10.
4340 RT	Kennett Residential Care Replace 47-bed RCF (1 of 2)	Kennett	Dunklin	07/22/09	\$2,000,000	6%		
4346 NT	Northgate Park Nursing Home Renovate/modernize LTC facility (1 of 2)	Florissant	St. Louis County	04/21/09	\$1,007,750	24%		07/12/10: second extension to 10/20/10
4349 RS	O'Fallon Alzheimer's Special Care Ctr. Establish 66-bed ALF	O'Fallon	St. Charles	06/01/09	\$8,078,682	82%		original application showed JEA Senior Living as operator; 05/10/10 operator changed to O'Fallon Care Group, LLC



## Compliance Tracking Report

(sorted by Approval Date)

Number	Project Name	City	County	Approval Date	Final Project Cost	% Comp.	End of Extension	Comments
4375 RA	Victorian Manor of Cuba Establish 32-bed ALF (1 of 2)	Cuba	Crawford	05/06/09	\$573,159	75%		
4376 NT	St. Mary's Institute of O'Fallon Renovate/modernize LTC facility (1 of 2)	O'Fallon	St. Charles	07/22/09	\$1,793,760	45%		
4379 NP	Sylvia G. Thompson Residence Ctr, Inc. LTC bed exp of 21 SNF beds (1 of 2)	Sedalia	Pettis	08/21/09	\$2,068,100	25%		
4384 RS	Westbrooke Senior Living Establish 80-bed ALF (1 of 2)	Ellisville	St. Louis County	09/21/09	\$14,774,206		03/20/11	11/08/10: second extension to 03/20/11
4394 RA	Victorian Manor of Washington Establish 32-bed ALF (1 of 2)	Washington	Franklin	06/19/09	\$599,191	10%		
4395 RA	Victorian Manor of Washington Establish 48-bed RCF (1 of 2)	Washington	Franklin	06/19/09	\$599,652	10%		
4401 NA	Sylvia G. Thompson Residence Center Add 9 SNF beds (1 of 2)	Sedalia	Pettis	07/17/09	\$595,000	25%		10-bed/10% provision
4403 NT	St. Joseph's Home Renovate/modernize LTC facility	Jefferson City	Cole	09/21/09	\$5,380,340	93%		
4409 RA	New Beginnings Establish 26-bed ALF (1 of 2)	Dexter	Stoddard	08/03/09	\$512,307	12%		
4416 NS	Flint Hill Care and Rehabilitation Center Establish 240-bed SNF (1 of 2)	Flint	St. Charles	01/11/10	\$18,998,250		01/10/11	
4426 NS	Crystal Oaks Add 32 SNF beds (1 of 2)	Crystal City	Jefferson	01/11/10	\$6,343,852		01/10/11	
4427 RS	Vintage Gardens Assisted Living East Establish 45-bed ALF (1 of 2)	St. Joseph	Buchanan	01/11/10	\$3,889,531		01/10/11	
4437 NS	Bethesda Southgate Add 12 SNF beds	St. Louis	St. Louis County	03/08/10	\$1,483,200	24%		
4438 NA	Bethesda Southgate Renovate/modernize LTC facility	Oakville	St. Louis County	10/07/09	\$6,822,280	12%		
4442 RS	Bethesda Southgate Assisted Living Establish 18-bed ALF	Oakville	St. Louis County	03/08/10	\$2,542,000	12%		
4449 NA	Brookview Nursing Home Renovate/modernize LTC facility (1 of 2)	Maryland	St. Louis County	11/16/09	\$3,868,125	4%		
4450 RA	Country Living Asstd. Living Establish 40-bed ALF	Mountain Grove	Wright	11/23/09	\$583,662	10%		
4451 NT	Bethesda Southgate Renovate/moderize LTC facility	Oakville	St. Louis County	01/21/10	\$3,380,000	16%		
4452 NS	Alexian Brothers Sherbrooke Village Add 12 SNF beds	St. Louis	St. Louis County	03/15/10	\$2,730,000		03/14/11	
4453 NP	Alexian Brothers Sherbrooke Village LTC expansion of 35 SNF beds	St. Louis	St. Louis County	02/23/10	\$7,750,000		02/22/11	
4454 NT	Alexian Brothers Sherbrooke Village Renovate/modernize LTC facility	St. Louis	St. Louis County	02/23/10	\$3,100,000		02/22/11	
4455 NT	Loch Haven Nursing Home Renovate/modernize LTC facility	Macon	Macon	04/21/10	\$2,157,095		04/21/11	
4457 RS	Country Meadow Retirement Home Add 10 RCF beds	Niangua	Webster	03/08/10	\$214,140		03/07/11	
4463 RS	The Hallmark at Creve Coeur Establish 46-bed ALF (1 of 2)	Creve Coeur	St. Louis	03/15/10	\$5,148,156		03/14/11	

## Compliance Tracking Report

(sorted by Approval Date)

Number	Project Name	City	County	Approval Date	Final Project Cost	% Comp.	End of Extension	Comments
4465 RA	Malik ALF Establish 94-bed ALF (1 of 2)	St. Louis	St. Louis City	12/02/09	\$474,063		12/01/10	
4466 NA	Christian Hlth Care of Springfield West Renovate/modernize LTC facility	Springfield	Greene	12/02/09	\$1,644,080	95%		
4469 NS	Festus Manor LTC expansion of 30 SNF beds (1 of 2)	Festus	Jefferson	02/23/10	\$2,817,914		02/22/11	
4471 RA	Loch Haven Apartments Add 2 RCF beds/renovate facility	Macon	Macon	12/29/09	\$526,950		12/28/10	10-bed/10% provision
4473 RA	Sunshine North Establish 96-bed RCF (1 of 2)	Bridgeton	St. Louis County	12/30/09	\$505,680		12/29/10	
4475 NA	Mount Carmel Renovate/modernize LTC facility (1 of 2)	St. Charles	St. Charles	12/30/09	\$1,135,000		12/29/10	
4479 NP	Columbia Manor Care Center LTC expansion of 102 SNF beds	Columbia	Boone	03/24/10	\$2,924,500		03/23/11	
4488 RS	Easy Living Senior Care Center Establish 180-bed ALF (1 of 2)	Kansas City	Jackson	05/10/10	\$5,000,000		05/09/10	05/10/10: MHFRC approved establishment of 180-bed ALF rather than originally approved 216 beds.
4491 NA	Gibbs Care Center Add 6 SNF beds	Steelville	Crawford	03/02/10	\$584,563		03/01/11	10-bed/10% provision
4493 NT	Gibbs Care Center Renovate/modernize LTC facility	Steelville	Crawford	05/24/10	\$906,634		05/23/11	
4494 RP	Oakdale Residential Care IIA LTC expansion of 6 RCF beds	Poplar Bluff	Butler	05/24/10	\$121,884			
4495 RP	Oakdale Residential Care IIA LTC expansion of 38 ALF beds	Poplar Bluff	Butler	09/21/10	\$573,500			
4497 RA	Blue Hills Rest Home Add 4 ALF beds	Independence	Jackson	03/25/10	\$245,700	70%		10-bed/10% provision
4502 RA	Heritage Hills Establish 24-bed ALF (1 of 2)	Patton	Bollinger	03/25/10	\$283,600	20%		
4503 RT	Lakewood Assisted Living by Americare Renovate/modernize LTC facility	Springfield	Greene	10/22/10	\$1,561,100			
4506 RS	Westbrook Terrace Residential, LLC Add 22 ALF beds	Jefferson City	Cole	07/12/10	\$2,108,084			
4508 NT	Green Park Nursing Home Renovate/modernize LTC facility (1 of 2)	St. Louis	St. Louis	05/24/10				
4511 RS	FSP-Ballwin Senior Living Establish 98-bed ALF (1 of 2)	Ballwin	St. Louis	07/12/10	\$19,847,820			
4512 RS	Country Oak Village of Pleasant Hill Establish 32-bed RCF (1 of 2)	Pleasant Hill	Cass	09/13/10	\$1,581,498			
4516 RS	Chesterfield Senior Care Establish 51-bed ALF (1 of 2)	Chesterfield	St. Louis	07/12/10	\$8,213,069			
4522 RA	Vintage Park of St. Joseph Add 8 ALF beds	St. Joseph	Buchanan	05/13/10	\$535,490			10-bed/10% provision
4523 NA	Mount Carmel Senior Living Add 10 SNF beds (1 of 2)	St. Charles	St. Charles	05/13/10	\$590,500		05/12/11	10-bed/10% provision
4524 RA	Hilltop Haven I Add 4 RCF beds	Eminence	Shannon	05/19/10	\$3,500			10-bed/10% provision
4534 RS	Provision Living at Webster Groves Establish 90-bed ALF (1 of 2)	Webster Groves	St. Louis	09/13/10	\$19,000,000			

## Compliance Tracking Report

(sorted by Approval Date)

Number	Project Name	City	County	Approval Date	Final Project Cost	% Comp.	End of Extension	Comments
4535 NS	LSL-SC SNF Establish 240-bed SNF (1 of 2)	Lake St. Louis	St. Charles	09/13/10	\$17,138,820			
4539 RS	Benton House Senior Living Community Establish 80-bed ALF	Kansas City	Clay	09/13/10	\$8,200,000			
4542 NA	Armour Oaks Senior Living Add 3 SNF beds	Kansas City	Jackson	06/16/10	\$311,933			10-bed/10% provision
4544 RA	The Village Health Care Renovate/modernize LTC facility (1 of 3)	Cameron	DeKalb	06/16/10	\$10,000			
4548 RA	Blessed Home Residential Care Facility Establish 10-bed RCF (1 of 2)	Kansas City	Jackson	06/25/10	\$376,166			
4552 RP	Mount Carmel Senior Living LTC expansion of 30 SNF beds (1 of 2)	St. Charles	St. Charles	10/22/10	\$5,679,500			
4553 RP	Autumn Ridge LTC expansion of 6 RCF beds (1 of 2)	Herculaneum	Jefferson	09/21/10				
4556 NA	Luther Manor Retirement & Nrng Center Renovate/modernize LTC facility	Hannibal	Marion	07/30/10	\$454,151			
4559 RS	Twin Oaks at Heritage Points Add 20 ALF beds (1 of 2)	Wentzville	St. Charles	11/08/10	\$13,000			
4562 RT	Lutheran Convalescent Home Renovate/modernize LTC facility	St. Louis	St. Louis	10/22/10	\$1,420,000			
4570 RA	Lakewood - Assisted Living by Americare Add 3 RCF beds	Springfield	Greene	09/22/10	\$0			10-bed/10% provision
4577 RA	Bradford Court - Assisted Living by Americare Add 3 ALF beds	Nixa	Christian	10/08/10	\$0			10-bed/10% provision
4578 RA	Westport Estates - Assisted Living by Americare Add 4 ALF beds	Marshall	Saline	10/08/10	\$0			10-bed/10% provision
4579 NA	Gasconade Manor Nursing Home District Add 7 SNF beds	Owensville	Gasconade	10/08/10	\$0			10-bed/10% provision
4580 RA	Teal Lake - Assisted Living by Americare Add 3 ALF beds	Mexico	Audrain	10/08/10	\$0			10-bed/10% provision
4581 RA	Ravenwood Terrace - Assisted Living by Americare Add 2 ALF beds	Moberly	Randolph	10/08/10	\$0			10-bed/10% provision
4583 NA	Cori Manor Healthcare & Rehab Center Add 10 SNF beds (1 of 2)	Fenton	Jefferson	10/08/10	\$0			10-bed/10% provision
4584 NA	Life Care Center of Bridgeton Renovation/modernization (1 of 2)	Bridgeton	St. Louis County	10/08/10				
4586 RA	South Points - Assisted Living by Americare Add 5 ALF beds	Washington	Franklin	10/27/10	\$0			10-bed/10% provision
4587 RA	Silver Creek - Assisted Living by Americare Add 4 ALF beds	Joplin	Newton	10/27/10	\$0			10-bed/10% provision
4588 NA	Shirkey Nursing & Rehabilitation Center Renovate/modernize LTC facility	Richmond	Ray	10/27/10	\$2,652,805			
4589 RA	Countryside Care Center Add 3 RCF beds (1 of 2)	Monette	Barry	10/27/10	\$204,550			10-bed/10% provision
4590 NA	The Villages of St. Peters Add 10 SNF beds (1 of 2)	St. Peters	St. Charles	10/27/10	\$0			10-bed/10% provision
4591 RA	Friendship Village Chesterfield Renovate/modernize LTC facility	Chesterfield	St. Louis County	11/01/10	\$122,468			

# Compliance Tracking Report

(sorted by Approval Date)

Number	Project Name	City	County	Approval Date	Final Project Cost	% Comp.	End of Extension	Comments
4592 NA	Friendship Village Chesterfield Renovate/modernize LTC facility	Chesterfield	St. Louis County	11/01/10	\$550,430			

**Committee confirmation of  
Non-Applicability CON Letters Issued  
for period October 15, 2010 - December 13, 2010  
(sorted by "Issue Date")**

Number	Project Information			Description		Dates Decision		Applicant
	Name	Address	City Zip	Proposed Activity	Original Proj Cost	LOI Rec'd Test Verified	Issue Date Decision	
4586RA	South Pointe - Assisted Living by Americare	5125 Old Highway 100	Washington 63090	Add 5 ALF beds Franklin	\$0	10/21/10 10/27/10	10/27/10 Not Applicable	Washington Residential, LLC (own/oper) 573-471-1113
4587RA	Silver Creek - Assisted Living by Americare	3325 Texas Ave.	Joplin 64804	Add 4 ALF beds Newton	\$0	10/21/10 10/27/10	10/27/10 Not Applicable	Joplin Residential, LLC (owner/operator) 573-471-1113
4588NA	Shirkey Nursing & Rehabilitation Center	804 Wollard Blvd.	Richmond 64085	Renovate/modernize LTC facility Ray	\$2,652,805	10/26/10 10/27/10	10/27/10 Not Applicable	Sr Ctzn Nsg Hm Dist of Ray Co (ow/op) 816-776-5403
4589RA	Countryside Care Center	385 S. Eisenhower	Monette 65708	Add 3 RCF beds Barry	\$204,550	10/22/10 10/27/10	10/27/10 Not Applicable	Mike Long & Roswitha Long (owners) 417-235-4040
4589RA	Countryside Care Center	385 S. Eisenhower	Monette 65708	Add 3 RCF beds Barry		10/22/10 10/27/10	10/27/10 Not Applicable	M & R Long, Inc. (operator) 417-235-4040
4590NA	The Villages of St. Peters	5400 Executive Center	St. Peters 63376	Add 10 SNF beds St. Charles	\$0	10/27/10 10/27/10	10/27/10 Not Applicable	St. Peters Senior Care, LLC (owner) 972-899-4401
4590NA	The Villages of St. Peters	5400 Executive Center	St. Peters 63376	Add 10 SNF beds St. Charles		10/27/10 10/27/10	10/27/10 Not Applicable	St. Peters Operations, LLC (operator) 972-899-4401
4591RA	Friendship Village Chesterfield	15201 Olive Blvd.	Chesterfield 63017	Renovate/modernize RCF St. Louis County	\$122,468	10/27/10 11/01/10	11/01/10 Not Applicable	Friendship Village Chesterfield (own/op) 636-532-1515
4592NA	Friendship Village Chesterfield	15201 Olive Blvd.	Chesterfield 63017	Renovate/modernize SNF facility St. Louis County	\$550,430	10/27/10 11/01/10	11/01/10 Not Applicable	Friendship Village Chesterfield (own/op) 636-532-1515

Type of Project: H - Hospital  
N - Nursing Home  
F - Freestanding

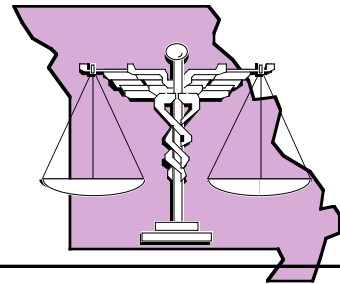
R - Residential Care Facility  
A - Applicability

Report produced by the Missouri Certificate of Need Program on 12/13/2010

LOI Rec'd. - Letter of Intent Received  
Test Verified - Non-Applicability Test Completed  
Issue Date - Letter signed by Chairman

**Missouri Health Facilities Review Committee  
Certificate of Need Program**

PO Box 570  
Jefferson City, MO 65102  
573-751-6403



**Donna Schuessler  
Health Planning Specialist**

December 16, 2010

Committee Members,

Attached is the non-applicability request for Black River Community Medical Center to establish a 3-bed hospital in Poplar Bluff.

This also includes the request for additional information and the applicant's response, along with other information from the file.

As part of the original package, there was a 119 page AIA Standard Form of Agreement Between Owner and Construction Manager. In addition, there are 37 letters of support, along with a 24-page petition with approximately 500 names.

These last two items were too large to include in the Compendium mailing and will be sent to you separately.

*Donna*

# **Black River Community Medical Center**

**Non-Applicability Request  
to  
Establish 3-bed hospital**



**LASHLY & BAER, P.C.**  
ATTORNEYS AT LAW

**RICHARD D. WATTERS**  
Licensed in Missouri and Illinois  
DIRECT: 314 436.8350  
[rdwatters@lashlybaer.com](mailto:rdwatters@lashlybaer.com)

**MISSOURI**  
714 Locust Street  
St. Louis, MO 63101-1699  
TEL: 314 621.2939  
FAX: 314 621.6844  
[www.lashlybaer.com](http://www.lashlybaer.com)

**ILLINOIS**  
20 East Main Street  
Belleville, IL 62220-1602  
TEL: 618 233.5587  
By Appointment Only

October 8, 2010

CERTIFICATE OF NEED PROGRAM

OCT 08 2010

RECEIVED

Mr. Tom Piper  
Director  
CN Program  
P.O. Box 570  
Jefferson City, MO 65102

Dear Tom:

Not too many years ago, there were three hospitals in Poplar Bluff. To remain competitive, the hospitals maintained their physical facilities in top condition, provided new services and achieved high levels of care and patient satisfaction. One of the hospitals closed and the other two came under common control, which the Missouri Attorney General unsuccessfully challenged as being anti-competitive. After the two hospitals came under common control, another one was closed leaving Poplar Bluff with a single hospital and a single provider of acute care services (currently Health Management Associates of Naples, Florida). This lack of competition has resulted in extremely high prices and low satisfaction scores (only 51% of patients are willing to recommend the hospital to family and friends)<sup>1</sup>. Many Poplar Bluff area residents now leave Poplar Bluff to obtain their health care in other communities with lower costs and higher satisfaction levels (the two hospitals in Cape Girardeau have patient recommendation rates of 81% and 87%<sup>2</sup>).

To address this community problem, Black River Community Medical Center, a Missouri not-for-profit corporation was created. It proposes to develop a three-day short stay hospital providing basic care for such diagnoses as, influenza, diabetes, asthma, dehydration, shortness of breath and COPD. There will be no surgical suites or interventional procedure rooms. There will be no major medical equipment.

Black River Community Medical Center will collaborate with local physician groups, Poplar Bluff Medical Partners (a provider of outpatient services) and Saint Francis Medical Center (a regional trauma center) to insure continuity of medical care, fair pricing and quality care.

The Letter of Intent and its attachments show that the capital costs for developing this three bed hospital will be less than the \$1 million threshold for MHFRC jurisdiction to review new hospitals. Accordingly, pursuant to 19 CSR 60-50.400(4), Black River Community Medical

<sup>1</sup>/As reported by U.S. Department of Health and Human Services January 2009 – December 2009

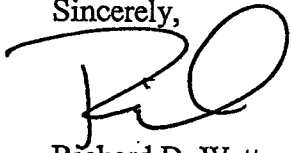
<sup>2</sup>/As reported by U.S. Department of Health and Human Services January 2009 – December 2009



Mr. Tom Piper  
October 8, 2010  
Page 2

Center requests that the Committee grant it a non-applicability determination at the November 8, 2010 meeting of the Committee.

Sincerely,

A handwritten signature in black ink, appearing to be 'RDW', written over a horizontal line.

Richard D. Watters

RDW/dk

Enclosures

1. Letter of Intent
2. Project Budget
3. Schematic drawing
4. Rendering of building
5. Plan review letter by State
6. Construction contract, including construction budget\*
7. Architect contract
8. Building lease
9. Two Equipment leases

\*Please note the construction contract is with the owner of the existing building, Poplar Bluff Medical Partners, LLC ("PBMP"). However, Section 9.2.5 permits PBMP to assign the contract to Black River Community Medical Center.



## Certificate of Need Program

## LETTER OF INTENT

<b>1. Project Information</b> (attach additional pages as necessary to identify multiple project sites.)		
Title of Proposed Project Black River Community Medical Center		County Butler
Project Address (Street/City/State/Zip Code or plat map, if no address) 217 Physicians Park Drive Poplar Bluff, MO 63901		
<b>2. Applicant Identification</b> (attach additional pages as necessary to list all owners and operators)		
<b>List All Owner(s):</b> (list corporate entity) Address (Street/City/State/Zip Code) Telephone Number		
Poplar Bluff Medical Partners, LLC (land, building, some equipment)	221 Physicians Park Drive, Poplar Bluff, MO 63901	573-727-9125
The Surgery Center of Poplar Bluff, LLC (some equipment)	219 Physicians Park Drive, Poplar Bluff, MO 63901	573-727-9080
<b>List All Operator(s):</b> (list entity to be licensed or certified) Address (Street/City/State/Zip Code) Telephone Number		
Black River Community Medical Center	217 Physicians Park Drive, Poplar Bluff, MO 63901	314-444-7676
<b>3. Type of Review</b>		
<b>Full Review:</b> <input type="checkbox"/> New Hospital <input type="checkbox"/> New/Add LTC Beds <input type="checkbox"/> New/Add LTCH Beds/eqpt <input type="checkbox"/> New/Additional Equipment <input type="checkbox"/> Replacement Equipment not previously approved <b>Expedited Review:</b> <input type="checkbox"/> 6-mile RCF/ALF Replacement <input type="checkbox"/> 15-mile LTC Replacement <input type="checkbox"/> 30-mile LTC Replacement <input type="checkbox"/> LTC Bed Expansion <input type="checkbox"/> LTC Renov./Modernization <input type="checkbox"/> Equipment Replacement <b>Non-Applicability Review:</b> <input checked="" type="checkbox"/> (See 7. Applicability next page)		
<b>4. Project Description</b> (information should be brief but sufficient to understand scope of project)  Project description to include the number of long-term care beds to be added, deleted or replaced, square footage of new construction and/or renovation, services affected, and major medical equipment to be acquired or replaced. If applying for a non-applicability review, also complete the next page of this form.  The applicant will renovate approximately 4,100 square feet in an existing medical building for a three bed hospital for local patients requiring monitored beds. Emergency services will be offered but there will be no operating rooms, interventional procedure rooms or major medical equipment. The space within the existing medical office building and land will be leased under a three year operating lease. Furniture, fixtures and equipment will be leased under a one year operating lease.		
<b>Legend:</b> LTC = Long-Term Care; LTCH = Long-Term Care Hospital; RCF/ALF = Residential Care and Assisted Living Facility		
<b>5. Estimated Project Cost:</b> \$ 935,212		
<b>6. Authorized Contact Person Identification</b> (only one per project, regardless of number of owners/operators)		
Name of Contact Person Richard D. Watters		Title Attorney
Contact Person Address (Company/Street/City/State/Zip Code) Lashly & Baer, P.C., 714 Locust, St. Louis, MO 63101		
Telephone Number 314-621-2939	Fax Number 314-621-6844	E-mail Address rdwatters@lashlybaer.com
Signature of Contact Person 		Date of Signature 10/8/10



Certificate of Need Program

**LETTER OF INTENT**

**7. Applicability** (check the box below to indicate the rationale for the exemption or waiver being sought)

☒ If proposed expenditures are **less than the minimums** in 8197.305(6), then attach a Proposed Expenditures form and all necessary supporting documentation to illustrate how those amounts were determined, such as schematic drawings, equipment quotes, and contractor estimates. Attached

☐ §197.305(10)(e) for additional long term care beds in the same category (certified as RCF/ALF, ICF or SNF) in a RCF/ALF, nursing home, or acute care hospital costing less than \$600,000, and are 10 beds or 10% of that facility's existing capacity, whichever is less.

If the proposal meets one of the **exemptions** or **exceptions** below, then check the appropriate box, explain how the proposal qualifies, and attach detailed documentation substantiating compliance with the statutory provisions as set out in Rule 19 CSR 60-50.410:

☐ §197.312 for an RCF/ALF previously owned and operated by the city of St. Louis; or

☐ §197.314(1) for a long term care facility in a tax increment financing (TIF) district with a skilled nursing facility (SNF);

☐ If the proposal meets the definition of "**nonsubstantive projects**" in 8197.305(11) and 19 CSR 60-50.300(13) for a **waiver** from review, complete both pages of this form as the first step in the process, and provide the rationale as to why the proposal should be deemed to be "nonsubstantive" in the space below.

☐ If the proposal meets the definition of "**purchase**" or "**replacement**" in 8197.318(8) and 19 CSR 60-50.450(3-4) for an **exception** from review, complete both pages of this form, plus the Proposed Expenditures form on the next page, and provide the rationale in the space below, including attached schematics and other documentation as to why the proposal should be deemed to be "nonapplicable".

*Explain the rationale for the exemption, exception, or waiver being sought:*

The proposed capital expenditures are less than the \$1 million threshold for new hospitals.

**Supplement to Item 2. Applicant Identification**

**List all Owner(s)**

<b>Black River Community Medical Center</b>	<b>217 Physicians Park Drive</b>	
<b>(some equipment)</b>	<b>Poplar Bluff, MO 63901</b>	<b>314-444-7676</b>

**Note: Black River Community Medical Center will be the sole entity to develop and offer this new institutional health service. It will be the only entity licensed to operate the facility and it will be the sole owner of the licensed hospital. As required by CON forms and policy, Poplar Bluff Medical Partners, LLC and The Surgery Center of Poplar Bluff, LLC are identified solely because they are the owners/lessors of the real and personal property to be leased to Black River Community Medical Center.**



Certificate of Need Program

**PROPOSED EXPENDITURES**

**CAPITAL COSTS:**

**Dollars**

*(fill in every line even if the amount is "0")*

**Description**

1. New Construction Costs	\$ 22,571
2. Renovation Costs	807,118
3. Architectural/Engineering Fees	70,523
4. Equipment (not in construction contract)	0
5. Land Acquisition Costs	0
6. Consultants' Fees/Legal Fees	15,000
7. Interest During Construction (net of interest earned)	20,000
8. Other Costs (describe what this includes)	0
<b>9. Total Capital Costs (sum of #1 thru # 8)</b>	<b>\$ 935,212</b>

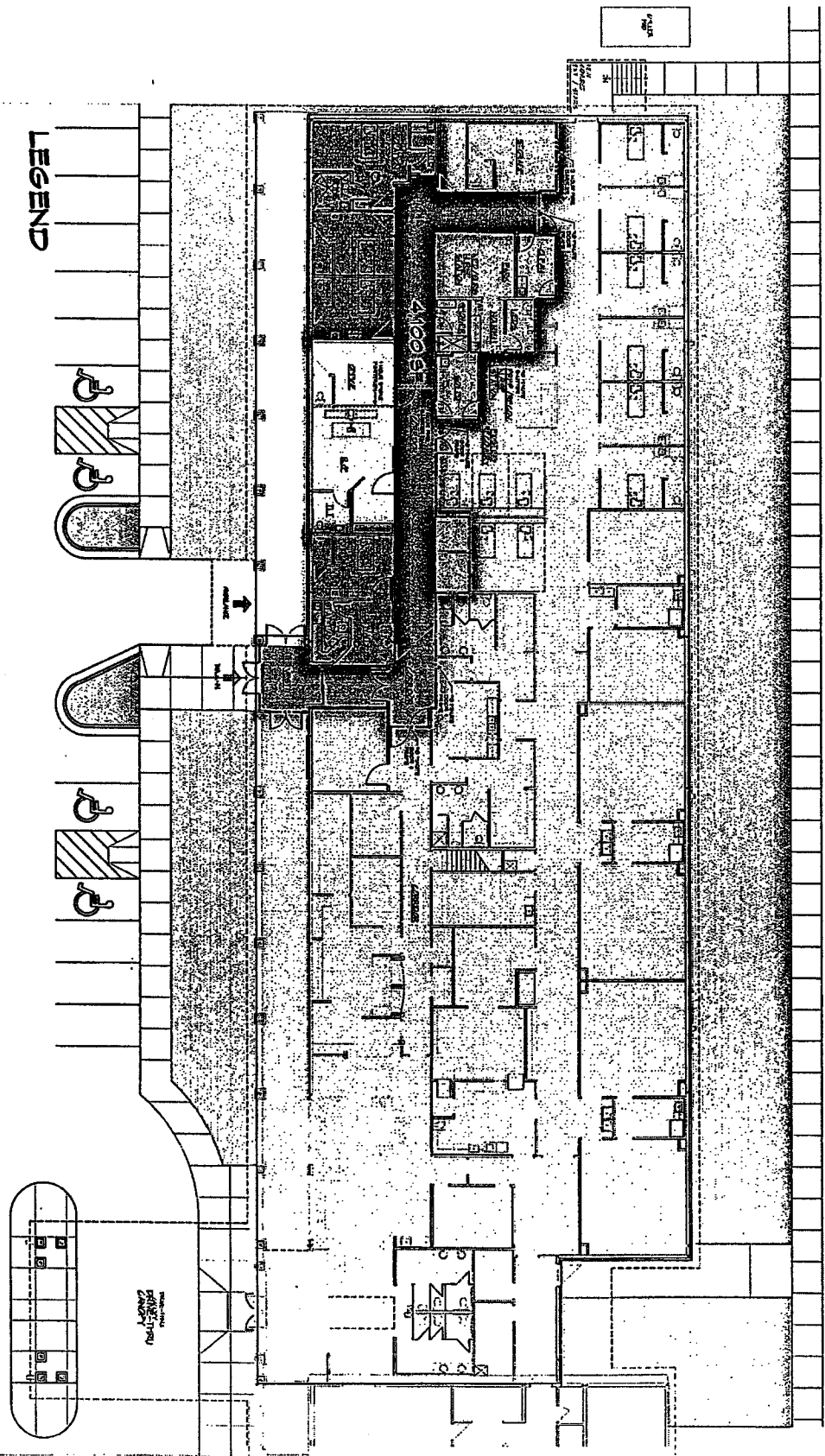
**MEDICAL EQUIPMENT COSTS:**

**Dollars**

*(fill in every line even if the amount is "0")*

**Description**

10. Equipment (fixed and movable)	\$ 0
11. Shielding (if not included in equipment bid quote)	0
12. Installation (if not included in equipment bid quote)	0
13. Software (if not included in equipment bid quote)	0
14. Other (describe what this includes)	0
<b>15. Total Medical Equipment Costs (sum of #10 thru #14)</b>	<b>\$ 0</b>



# LEGEND



EMERGENCY DEPARTMENT  
PATIENT ROOMS  
RADIOLOGY  
SUPPORT

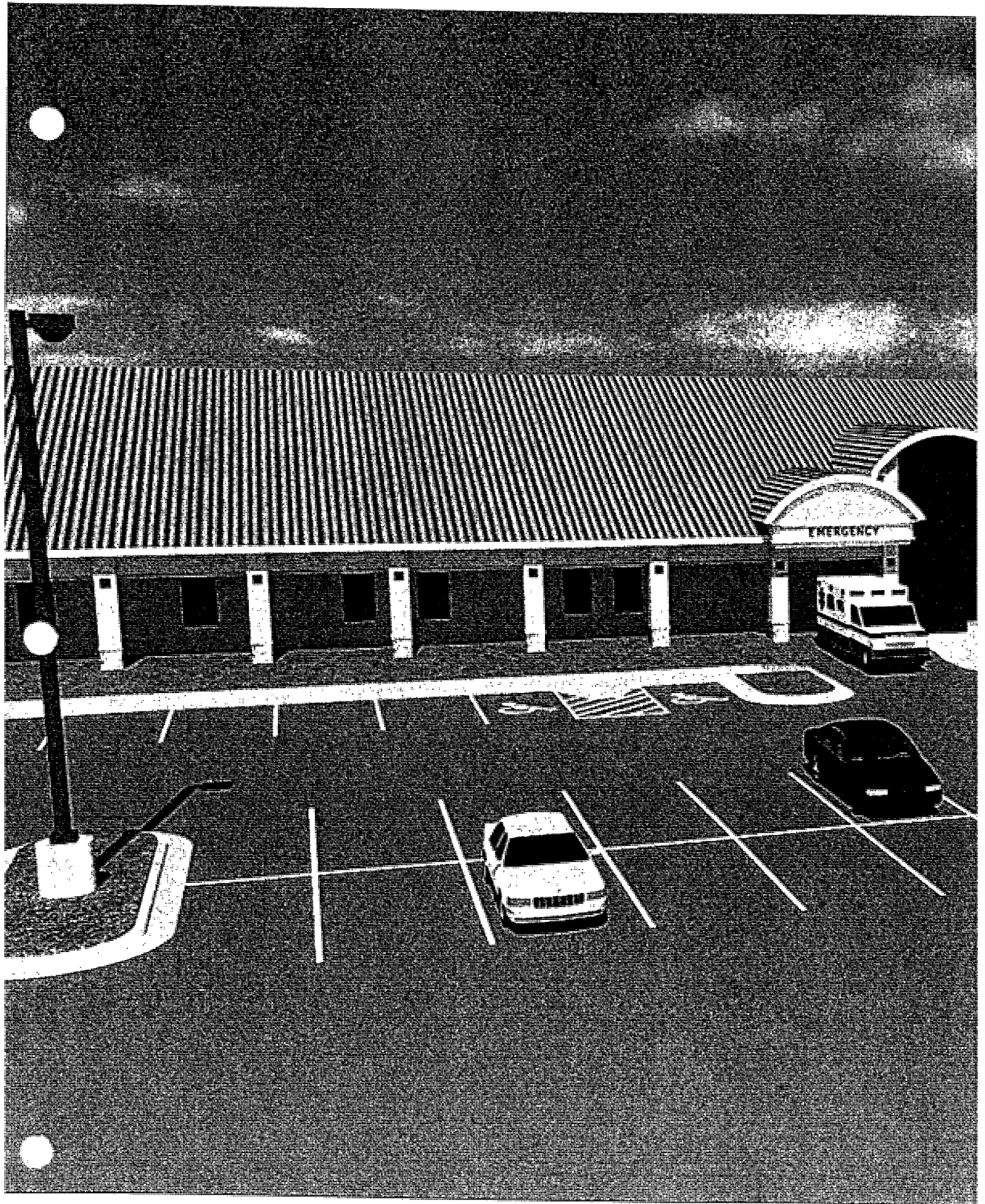
## SCHEMATIC PLAN N.T.S.

04-22-2010



**ACI BOLDAN**

ARCHITECTS PLANNERS INTERIOR DESIGNERS  
1400 E. 1st Ave. Suite 100  
Denver, CO 80202  
Tel: 303.733.8300  
Fax: 303.733.8301





**Missouri Department of Health and Senior Services**

P.O. Box 570, Jefferson City, MO 65102-0570 Phone: 573-751-6400 FAX: 573-751-6010  
RELAY MISSOURI for Hearing and Speech Impaired 1-800-735-2966 VOICE 1-800-735-2466

Margaret T. Donnelly  
Director



Jeremiah W. (Jay) Nixon  
Governor

June 16, 2010

Greg Highbarger  
ACI-Boland, Inc.  
11229 Nall, Suite 140  
Leawood, KS 66211

RECEIVED  
JUN 21 2010  
ACI/BOLAND

RE: New 6 Bed Hospital  
ASC to Hospital  
Poplar Bluff, MO  
H-850

Dear Mr. Highbarger:

Preliminary drawings were re-reviewed on June 9, 2010. The following items shall be addressed wh developing final plans as well as the all the items listed in the letter dated June 2, 2010.

1. Emergency egress from the operating corridor needs to be assessed.
2. Verify storage room larger than 100 square feet are protected with 1 hour fire wall construction.
3. Verify a hand sink is provided in the ER Treatment room.
4. Verify the location of the decontamination room.
5. The Stat Lab should be located as not to allow the general public to have access to the area.
6. The isolation room shall be equipped with a full anteroom; this includes a door from the corridor.
7. Verify a hand sink is provided in the accessible room just east of the employee entrance.

Please contact the Health Facility Regulation Unit at 573/751-6303 if you have any questions regarding licensure of this unit. If you have any questions regarding this correspondence, please contact me at 573/526-8521.

Sincerely,

David C. East  
Mechanical Engineer

C: Bill Nugent, Bureau of Health Facility Regulation  
Dan Eckles, 1423 Greenberry Road, Jefferson City, MO 65101

[www.dhss.mo.gov](http://www.dhss.mo.gov)

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# Letter of Intent Checklist

Project title:

Black River Community Medical Center  
Establish 3-bed hospital

**I. Project Title and Location**

- ☒ Correct form
- ☒ Specific site or plat map
- ☒ Zip Code
- ☒ County

**II. Applicant Identification**

- ☒ Owner(s)
- ☒ Operator(s)

**III. Type of Review**

- ☒ Appropriate box(s) checked

**IV. Project Description (check those affected)**

- ☒ Number of beds to be added, deleted or replaced
- ☒ New construction or renovation
- ☒ Square footage
- ☒ Services to be affected
- ☒ Equipment to be acquired

**V. Estimated Project Cost**

- ☒ Amount provided (except for LTC bed expansion)

**VI. Authorized Contact Person**

- ☒ Complete name and address
- ☒ Original signature

**VII. Applicability**

- ☒ Appropriate box(s) checked

**VIII. Proposed Expenditures Form (if non-applicability)**

- ☐ Complete

*everything not included*

**IX. Support Documentation**

- ☐ Detailed schematic (if required)
- ☒ Copy of appropriate license (if required)
- ☒ Copy of equipment bid quotes (if required)
- ☒ Copy of contractor bids (if required)
- ☒ Other support documentation (if required)

*hard to read*

**X. Planner notified to send Cert. Form to Div. of Aging if LTC bed expansion?**

☒ Yes ☐ No

**XI. LOI Complete**

Effective date \_\_\_\_\_

Notes:

*more info needed*

Project No:

Planner:

**Schuessler, Donna**

---

**From:** Patti Greenberg [pgreenberg@nhaconsulting.com]  
**Sent:** Thursday, October 21, 2010 8:13 AM  
**To:** Piper, Tom; Schuessler, Donna  
**Cc:** Lauren Borowsky; DFELIX@ArmstrongTeasdale.com; Patti Greenberg  
**Subject:** Black River Community Medical Center Letter of Intent  
**Attachments:** BRMC.pdf

Tom and Donna,

Based on our call earlier this week, we developed a list of probative questions to better understand the scope of the 3-bed project being proposed by Black River Community Medical Center. The purpose of the questions is to enable accurate costing of the project. These questions are below. Our list is fairly comprehensive at this stage, and obviously depending on the answers to some questions, will result in further rounds of questions to understand a particular service line and its cost – if round 1 of questions acknowledges provision of a certain service or modality.

We are available at your convenience if you would like to discuss any of these questions. As an FYI, we have also attached the Articles of Organization of Black River Community Medical Center for your information.

As an interested and affected party, what process do we follow to assure we receive copy of correspondence being issued to the applicant as well as any responses Black River or its representatives provide?

Again, thanks for our time and we look forward to working with you.

Patti Greenberg

**Questions on Black River Community Medical Center Letter of Intent**

1. What services by department will the hospital be providing such as emergency, surgery, radiology, laboratory, pharmacy, rehabilitation, etc.? Will both inpatient and outpatient services be provided?
2. If diagnostic radiology is being provided, please name the modalities such as R&F, CT, MRI, ultrasound.
3. For the proposed three beds, will these be monitored beds? If so, what capabilities are planned and from where will the beds be monitored? Will any of the patient rooms meet ADA requirements? If so indicate which ones on the plans.
4. The schematic submitted is not legible. Please provide a legible replacement with labeling of all hospital spaces.
5. Describe how visitors and employees will access the hospital indicating their entrance on the plans.

6. Describe how ambulances bringing patients to the hospital will access and enter the hospital indicating their entrance on the plans.
7. Describe how hospital patients requiring services not provided by the hospital will be treated. If a patient needs transfer via ambulance, where will the patient be moved and discharged. Indicate on the plans.
8. The equipment lease submitted with Poplar Bluff Medical Partners is for the following equipment: 2000 CPI Indigo. 100 Radiographic Generator with 2007 Quantum Table, collimator and tube; 2007 Kodak \ Carestream CR-825 CR System with Cassettes; and, GE AMX-2 Portable X-ray System. Please provide the fair market value for each of these three items.
9. The equipment lease submitted with The Surgery Center of Poplar Bluff is for the following equipment: 6 waiting room chairs; 3 19" patient televisions; 2 wheelchairs; 3 overbed tables; 3 IV Poles; Comdial phone system; 3 M12 vital sign monitors; 2 linen hampers with lids; 3 blue patient recliners; 3 flowmeters/regulators; patient scale; pediatric; fax machine; medical record shelving; Pitney bowes postage machine; 3 patient bedside chairs; nurse call system; 2 nursing computer stations; emergency oxygen cylinder/stand; Patient crash cart with defibrillator; Portable patient suction unit; 2 patient transport stretchers; Experior billing system with server and software; and, 2 wall x-ray illuminators. Please provide the fair market value for each of these items.
10. What pediatric services will be provided at the hospital?
11. What redundant or back up equipment is planned in addition to those in the lease in the event a single inventoried item is inoperable, ie crash cart?
12. Please confirm that med gases and oxygen systems will be incorporated into the patient room infrastructure. What is the cost for this included in the construction contract?
13. Are you planning an electronic health record for the patient? What is the budget for the patient clinical information system?
14. What is the cost for the IT infrastructure planned for the hospital?
15. How do you plan on providing dietary services for the patients? Where on the plans is the dietary function? What is the cost of the dietary equipment?
16. How do you plan on providing laundry/linen services for the hospital? Where on the plans is this function? What is the cost of the equipment?
17. Hospitals require backup generators. Where will the generator be located on the plans? What is the fair market value cost of the generator?

18. Will there be a radiologist on site, or will this function be accommodated via a telemedicine function?
19. If a patient is deceased, please identify on the plans where the body hold room is.
20. Where is the inpatient registration function? How many work stations are planned?
21. Where is the outpatient registration function? How many work stations are planned?
22. Where on the plans is the medical records department?
23. Will the hospital meet the current AIA Guidelines for hospitals?
24. Will the hospital meet the life safety code for hospitals?
25. Please list all design and construction codes for hospitals which you will meet.
26. What type of exterior signage is planned for the hospital? What is the budget?
27. What type of interior signage is planned for the hospital? What is the budget?
28. The architect's fees do not include interior design services. What is the budget for this service?
29. The architect's fees do not include landscape design services. What is the budget for this service?
30. The architect's fees do not include any testing pre construction or during construction. What is the budget for this service?
31. The architect's fees do not include any signage design, artwork, accessory or other furniture planning. What is the budget for this service?
32. The architect's fees do not include architect expenses including plan production. What is the budget for these expenses?
33. What is the parking requirement (number of spaces) for the hospital patients (in and out), visitors, and employees? Please show this area on the submitted site plan.
34. What exterior work is within the scope of the architect services?
35. What exterior work is within the scope of the construction contract?

36. Will the general contractor be providing a performance and payment bond for the project?
37. What is the cost of owner's liability insurance during construction?
38. What are the estimated property taxes during construction?
39. What is the builders risk insurance rate, ie 1%, 2%?
40. What type of beds is budgeted for in the general contractors estimate?
41. What items are included in the general and special conditions in the general contractors estimate? Provide dollar estimate by item.
42. The architect agreement and construction contract indicate the existing surgery center will be renovated to accommodate the 3-bed hospital. What portions of the surgery center will remain in the space? What portions will be operational? Will the surgery center continue to operate as an ambulatory surgery center? Will the surgery center be used for hospital patients?

\*\*\*\*\*

Patti Greenberg  
National Healthcare Associates, Inc.  
999 Ponce de Leon Blvd  
Suite 950  
Coral Gables, FL 33134  
305-444-5007 (tel)  
305-444-5598 (fax)  
305-205-5005 (cell)

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# MHFRC

## Missouri Health Facilities Review Committee

Post Office Box 570, Jefferson City, MO 65102  
Voice: (573) 751-6403 Fax: (573) 751-7894 Website: <www.dhss.mo.gov/con>

James Tellatin, Chair

Edna M. Talbot, PhD, Vice-Chair  
T. Martin Vollmar, MD

Rory Ellinger  
William A. Krodinger

Rep. Kenny Jones  
Rep. Jake Zimmerman

Senator Robin Wright-Jones  
Senator Eric Schmitt

October 29, 2010

Richard D. Watters, Attorney  
Lashly & Baer, P.C.  
714 Locust  
St. Louis, MO 63101  
(email: [rdwatters@lashlybaer.com](mailto:rdwatters@lashlybaer.com))

**SUBJECT: Non-Applicability Certificate of Need request  
Black River Community Medical Center  
Poplar Bluff Medical Partners, LLC, and  
The Surgery Center of Poplar Bluff, LLC (owners)  
Black River Community Medical Center (owner/operator)  
\$935,212 (Capital) Establish three-bed acute care hospital**

Dear Mr. Watters:

Your Letter of Intent for the above proposal was received on October 8, 2010, and is being reviewed in accordance with the current Certificate of Need (CON) Rules. Pursuant to 19 CSR 60-50.400 of the Rules, this proposal is not yet complete and requires additional information:

- \* Provide a larger drawing of this renovated space (one that fills the page, is completely labeled and has dimensions on it to include all space intended to be licensed);
- \* I request a site plan showing the entire building including driveways out to the edge of the property.
- \* How will other hospital services be acquired like laundry, food, pharmacy, administration, billing, patient records, and such?
- \* There is radiology space defined on the drawing, but no specification or cost included;
- \* The equipment lease does not include the fair market value of these items.
- \* The Proposed Expenditures form does not include cost of the land, equipment or other costs which are required by 19 CSR 60-50.300 (9) "Health care facility expenditure includes the capital value of new construction or renovation costs, architectural/engineering fees, **equipment not in the construction contract**, land acquisition costs, consultants'/legal fees, interest during construction, predevelopment costs as defined in section 197.305(13), RSMo, in excess of one hundred fifty thousand dollars (\$150,000), **any existing land and building converted to medical use for the first time**, and any other capitalizable costs incurred over a twelve (12)-month period as listed on the 'Proposed Project Budget' form MO 580-1863." (*emphasis added*)
- \* Where is the deceased holding room in the event a patient dies in the hospital?
- \* Will the ambulatory surgery center continue to be operated separate from the proposed hospital, or will it be integrated to become part of the licensed hospital?

Since extensive information is still needed before this LOI is complete, this project will not be heard at the November 8, 2010. If information is complete and received timely, we hope to place this request on the January 3, 2011, CON meeting agenda. Thank you for cooperating in the CON process. If you have any questions, please contact the CON Program staff.

Sincerely,

Thomas R. Piper, CON Director

/trp

c: Missouri Health Facilities Review Committee



**LASHLY & BAER, P.C.**  
ATTORNEYS AT LAW

**RICHARD D. WATTERS**  
Licensed in Missouri and Illinois  
DIRECT: 314 436.8350  
[rdwatters@lashlybaer.com](mailto:rdwatters@lashlybaer.com)

**MISSOURI**  
714 Locust Street  
St. Louis, MO 63101-1699  
TEL: 314 621.2939  
FAX: 314 621.6844  
[www.lashlybaer.com](http://www.lashlybaer.com)

**ILLINOIS**  
20 East Main Street  
Belleville, IL 62220-1602  
TEL: 618 233.5587  
By Appointment Only

November 4, 2010

Mr. Tom Piper  
Director  
CN Program  
P.O. Box 570  
Jefferson City, MO 65102

Re: Black River Community Medical Center

Dear Tom:

This is to respond to your letter of October 29, 2010 relating to the above project. I will restate your requests and then provide the Hospital's responses.

1. **Provide a larger drawing of this renovated space (one that fills the page, is completely labeled and has dimensions on it to include all space intended to be licensed).**

I should have it by Friday and will forward it to you at that time.

2. **I request a site plan showing the entire building including driveways out to the edge of the property.**

I should have it by Friday and will forward it to you at that time. As you know, this building, land and driveways already exist and the Hospital's access to each will be pursuant to an operating lease. As the Committee determined in the Patients First Community Hospital case, these are not includable in the capital costs of the Hospital.

3. **How will other hospital services be acquired like laundry, food, pharmacy, administration, billing, patient records, and such?**

Black River Community Medical Center will enter into service contracts with third parties to provide these services and will not incur a capital expenditure for them.

4. **There is radiology space defined on the drawing, but no specification or cost included.**

The construction contract includes this space in its price and specifically identifies \$17,500 for radiation protection, which is included in the project's capital costs. The Equipment Lease with The Surgery Center of Poplar Bluff, LLC provides for two wall x-ray illuminators and the Equipment Lease with Poplar Bluff Medical Partners, LLC provides for the lease of the x-ray system. Both leases are operating leases, so are not included in the capital costs of the Hospital.

**5. The equipment lease does not include the fair market value of these items.**

You are correct. The Medical Center is not incurring a capital cost for any of these items and because none of the equipment qualifies as major medical equipment, it is not subject to review under that threshold, which includes the lease of major medical equipment regardless of whether a capital expenditure is involved. Equipment that is not major medical equipment is reviewable only if the Hospital incurs a capital expenditure to acquire it.

**6. The Proposed Expenditures form does not include cost of the land, equipment or other costs which are required by 19 CSR 60-50.300(9) "Health care facility expenditure includes the capital value of new construction or renovation costs, architectural/engineering fees, equipment not in the construction contract, land acquisition costs, consultants'/legal fees, interest during construction, predevelopment costs as defined in section 197.305(13), RSMo, in excess of one hundred fifty thousand dollars (\$150,000), any exiting land and building converted to medical use for the first time, and any other capitalizable costs incurred over a twelve (12)-month period as listed on the 'Proposed Project Budget' form MO 580-1863." (emphasis in original)**

In your question you highlighted certain words to make your point, but you ignored other key words that tie this regulatory definition to the statutory definition of "Expenditure Minimum" in §197.305(6)(c) RSMo. As you know, for new hospitals, the statutory definition of Expenditure Minimum only makes capital expenditures relevant. As you also know, the definition of capital expenditures in the statute §197.305(3) RSMo excludes operating leases. The regulation you cite, with different emphasis, is as follows: "Health care facility expenditure includes the **capital value** of new construction or renovation costs, architectural/engineering fees, equipment not in the construction contract, land acquisition costs, consultants'/legal fees, interest during construction, predevelopment costs as defined in section 197.305(13), RSMo, in excess of one hundred fifty thousand dollars (\$150,000), any existing land and building converted to medical use for the first time, and **any other capitalizable costs** incurred over a twelve (12)-month period as listed on the 'Proposed Project Budget' form MO 58-.1863." (emphasis added)

Clearly, in order to be consistent with the statutory restriction that only capital costs of a new hospital are subject to review, this regulation is limited to equipment, land and building for which the Hospital has a capital cost. If it is read, as you seem to suggest, to include non-capital costs, it is contrary to the statute and illegal and void. As you know, the Committee already addressed this same issue in the Patients First Community Hospital matter and determined that operating lease costs are not included in determining whether a project exceeds the \$1 million capital cost threshold.

**7. Where is the deceased holding room in the event a patient dies in the hospital?**



Mr. Tom Piper  
November 4, 2010  
Page 3

The Hospital will make arrangements to have bodies timely removed directly to a local mortuary so there will be no separate deceased body room.

**8. Will the ambulatory surgery center continue to be operated separate from the proposed hospital, or will it be integrated to become part of the licensed hospital?**

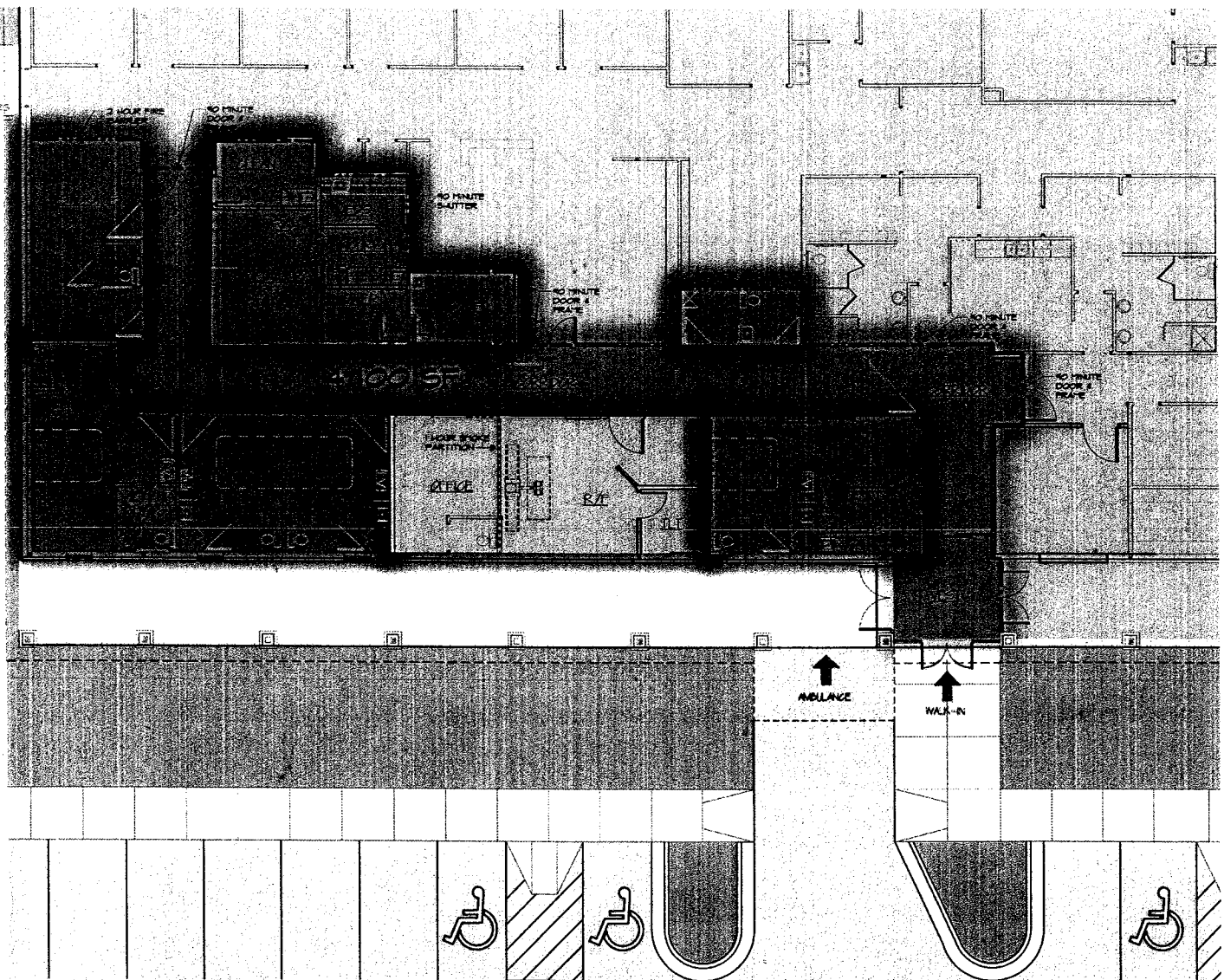
The ASC will continue to maintain its separate ASC license with the Department of Health.

Sincerely,

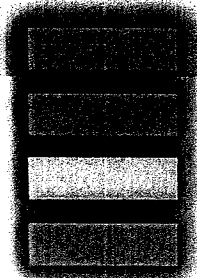
A handwritten signature in black ink, appearing to be 'RDW', written over the printed name.

Richard D. Watters

RDW/dk



## LEGEND



EMERGENCY DEPARTMENT

PATIENT ROOMS

RADIOLOGY

SUPPORT

## SCHEMATIC PLAN

N.T.S.

10-19-2010



**LASHLY & BAER, P.C.**  
ATTORNEYS AT LAW

**RICHARD D. WATTERS**  
Licensed in Missouri and Illinois  
DIRECT: 314 436.8350  
[rdwatters@lashlybaer.com](mailto:rdwatters@lashlybaer.com)

**MISSOURI**  
714 Locust Street  
St. Louis, MO 63101-1699  
TEL: 314 621.2939  
FAX: 314 621.6844  
[www.lashlybaer.com](http://www.lashlybaer.com)

**ILLINOIS**  
20 East Main Street  
Belleville, IL 62220-1602  
TEL: 618 233.5587  
By Appointment Only

**CERTIFICATE OF NEED PROGRAM**

December 1, 2010

**DEC 01 2010**

**RECEIVED**


Mr. Tom Piper  
CN Program  
P.O. Box 570  
Jefferson City, MO 65102

**Re: Black River Community Medical Center**

Dear Tom:

The request by the above applicant for a non-applicability determination is on the January 3, 2010 Committee agenda. Following meetings between the Medical Center's architects and the State architects, the floor plan was revised slightly to meet licensing concerns. The exchange of communications between the architects is attached as is a revised floor plan. Please note that the revised floor plan is 4,650 square feet. The Guaranteed Maximum Price of the Construction Contract will remain unchanged.

Very truly yours,



Richard D. Watters

RDW/dk

Enclosures

## MEMORANDUM

**Date:** November 29, 2010

**To:** David East  
Dennis Smith  
Michael Burcham  
Vic Mosby  
Mike Dolan  
File #4-10024

**From:** Robert Bosley

**Re:** State Review – Exit at Southwest corner (I-2 through B)  
New 3 Bed Hospital  
Poplar Bluff, MO H-850

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During our October 1<sup>st</sup> phone call, David and Tracy mentioned that they would review the exit condition in the southwest corner in more depth with the Health Facility Regulation Unit and get back to ACI.

After review, the State continues to be concerned about verifying that the rest of the building does not contain a high hazard. Consequently, the plan has been revised to extend the 2 hour wall west to the outside wall so that the ASC exits through the hospital. As previously stated, this will satisfy the State's concerns on exiting.

ACI proposes to label the two additional rooms now included within the hospital space as 23 hour observation/exam rooms.

During phone calls on Wednesday November 23<sup>rd</sup> and 29<sup>th</sup>, David East agreed that as long as the two additional rooms were not occupied by patients for more 23 consecutive hours, the rooms would not need to meet the requirements for a patient room.

No redundant (backup) heat or windows are required for these rooms. The rooms will be left mostly "as-is" with the exception that electric receptacles on emergency circuits will be replaced with hospital grade receptacles.

The above notes represent the writer's best recollection of conversations between those present at the above meeting. Should there be any corrections or additions to the above, please notify the writer immediately.

END OF MEMORANDUM



**Missouri Department of Health and Senior Services**

P.O. Box 570, Jefferson City, MO 65102-0570 Phone: 573-751-6400 FAX: 573-751-6010  
RELAY MISSOURI for Hearing and Speech Impaired 1-800-735-2966 VOICE 1-800-735-2466

**Margaret T. Donnelly**  
Director



**Jeremiah W. (Jay) Nixon**  
Governor

November 30, 2010

Robert Bosley  
ACI-Boland, Inc.  
11229 Nall, Suite 140  
Leawood, KS 66211

RE: New 3 Bed Hospital Exit at Southwest Corner  
ASC to Hospital  
Poplar Bluff, MO  
H-850

Dear Mr. Bosley:

This letter is in response to your memorandum dated November 29, 2010. To address the exiting requirement two additional rooms will be included within the Hospital space. These two rooms do not meet the requirements to be patient rooms. We will allow these rooms to be used for other uses by the hospital pending final approval.

Please contact the Health Facility Regulation Unit at 573/751-6303 if you have any questions regarding licensure of this unit. If you have any questions regarding this correspondence, please contact me at 573/526-8521.

Sincerely,

David C. East  
Mechanical Engineer

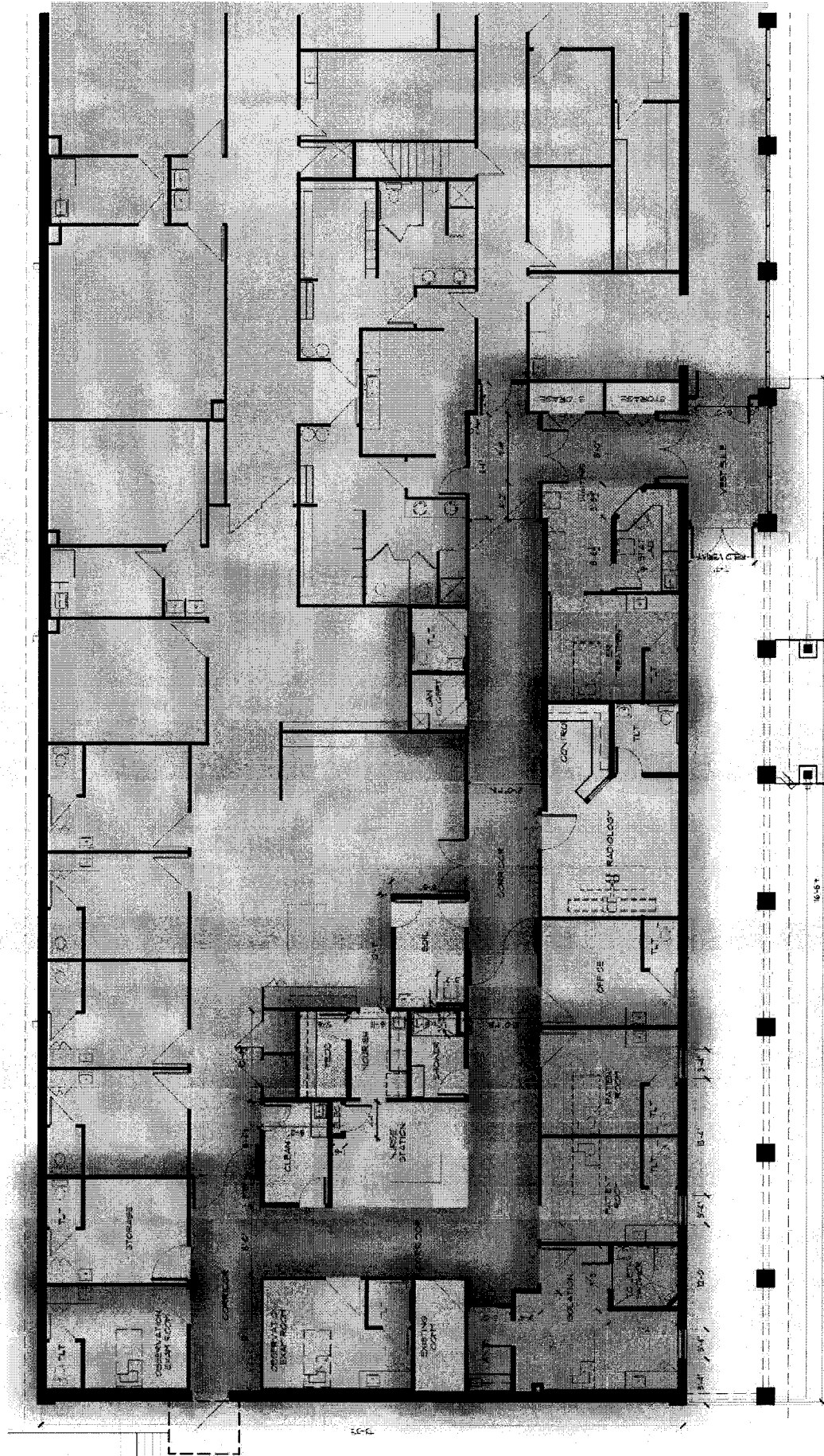
C: Bill Nugent, Bureau of Health Facility Regulation

[www.dhss.mo.gov](http://www.dhss.mo.gov)

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**FIRST FLOOR PLAN**  
 3/22" = 1'-0"



**LEGEND**

- EMERGENCY DEPARTMENT
- PATIENT ROOMS
- RADIOLOGY
- SUPPORT
- EXAM ROOMS

**ACI BOLAND**

ARCHITECTS PLANNERS INTERIOR DESIGNERS  
 1225 N. 10th St.  
 Suite 200  
 Minneapolis, MN 55412  
 (612) 338-2000  
 (612) 338-2001  
 (612) 338-2002

## Schuessler, Donna

---

**From:** James Tellatin [Tellatin@tellatin.com]  
**Sent:** Wednesday, December 08, 2010 9:36 AM  
**To:** mburcham@poplarbluffmedical.com  
**Cc:** Piper, Tom; Schuessler, Donna  
**Subject:** CON Review

Mr. Burcham:

Thank you for sharing your information supporting the non-applicability letter for the proposed three-bed observation hospital in Poplar Bluff. The only issue before our committee will be the non-applicability issue as it pertains to cost – over-under \$1,000,000. Should you desire to seek full CON approval, which I actual encourage, the local support information, including the petition with more than 500 signatures, is compelling. Because there are possible legal ramifications to obtaining non-applicability status, and given the support that you appear to have, you might consider actually obtaining a full CON approval.

James K. Tellatin, MAI  
Tellatin, Short & Hansen, Inc.  
15455 Conway Road, Suite 355  
Chesterfield, Missouri 63017  
636.530.0009 (Office)  
314.283.0067 (Mobile)  
636.530.0046 (Fax)  
[www.tellatin.com](http://www.tellatin.com)

# **Legal Counsel Report**



**End of  
Certificate of Need  
Meeting  
Compendium**